

amph
HMod
C

Canada's
Effort

— IN —
THE GREAT WAR
TO MARCH, 1917



Canada's Effort

— IN —
THE GREAT WAR
TO MARCH, 1917



330531
21. 8. 36.

CANADA'S EFFORT

THE DOMINION IN THE GREAT WAR

*"What stronger breast-plate than a heart untainted?
Thrice is he armed who hath his quarrel just,
And he but naked though locked up in steel,
Whose conscience with injustice is corrupted."*

Reviewing all that has been accomplished during the last thirty months, it is no vain national boast that the Canadian people have far exceeded the expectations laid down at the outset.—Sir Wilfrid Laurier.

Only once in centuries is it given to the sons of men to lay down their lives on the field of battle in such a sacred cause as that for which the free nations now contend in Europe. Never before have the principles of international justice and human liberty trembled in the balance as they do today. The blood of the best and bravest of mankind saturates the soil of Europe in order that an arrogant and brutal militarism may be overcome and that the right of weak nations to a happy and independent existence may be established and vindicated.

This is the consolation of all Canadians who, in these tragic days mourn their valiant dead. Nor should their mourning be unmingled with a sense of solemn joy. There is a religious body whose members disdain to weep when their cherished leaders pass from the earth; they clothe themselves instead in garments of gladness. So may it be with our people who have lost, and will lose, sons and brothers and fathers in this mighty struggle.

Canada's War Record

This volume represents an attempt to set down roughly for the information of the Canadian people the great things this country has achieved in the most tremendous conflict in human history. As the book goes to press, the Canadian Army has won fresh laurels, and the Allies are successfully pressing the enemy on all sides. While no one can predict how long the Central Powers will hold out, the best informed opinion in neutral, as in Allied countries is that, though the end is not yet clearly discernible, the final downfall of Teuton militarism will come before many months are gone if only the British Empire and its Allies continue to throw their maximum efforts into the struggle.

CANADA'S EFFORT IN THE GREAT WAR

Timely Organization

It fortunately happened that early in 1914, the Government took steps looking to effective action in the event of war with a foreign power. Up to that time, this country had no inter-departmental committee charged with the elaboration of defence measures and the co-ordination of different branches of Government in case of an emergency. In January, 1914, the Prime Minister, without announcement but sincerely fearing imminent danger to the Empire, established such a Committee. By July of that year, only a few days before the outbreak of war, the Committee had completed its task. It is impossible to over-estimate the advantages which resulted from the steps thus taken. The "War Book" prepared by the Committee clearly laid down the line of procedure to be followed by the several Departments, and much confusion was thus avoided, both while the war was immediately impending, and after it began. Not only did the "War Book" effectively co-ordinate the activities of the several Departments of the Canadian Government, but it greatly facilitated efficient co-operation with the Imperial authorities.

War Breaks Out

On August 2nd, it appeared that the British Government's tireless efforts to avert a European cataclysm were likely to prove unavailing. Then it was that Sir Robert Borden, confident in the patriotism of a united people, despatched a message of support to the Imperial authorities. He cabled that the Canadian Government and people still earnestly hoped hostilities could be avoided, but that in case of war they would go to the assistance of the Mother Country.

By August 4th, Germany had violated Belgian neutrality, and was pouring her troops southwards in an attempt to crush France by a sudden attack in overwhelming numbers. At midnight on that fateful Tuesday, in observance of her treaty obligations to Belgium and of her moral obligations to France, as well as in self-defence and in defence of the Empire and human freedom, Great Britain declared war. In Canada there was no precedent upon which to proceed, but it was clear that the national existence was threatened. The Prime Minister and the Government therefore assumed the responsibility of acting with all possible promptness and without waiting for the consent of Parliament. Ministers felt that they could depend upon the people and upon their elected representatives to approve of the Government's course in face of such a vital emergency. It was in this spirit that the Administration undertook far-reaching war measures with boldness and then, at the earliest moment, summoned Parliament, reported what was done, and asked, and received the heartiest endorsement from both branches of the Legislature. Everywhere throughout Canada this course was warmly approved.

At this initial War Session, Parliament responded in a highly patriotic manner. It not only confirmed the steps taken by the Government, but conferred upon the Governor-in-Council full power to do or authorize by Order-in-Council anything that should be deemed necessary for the peace, order, security and welfare of the Dominion, and for the successful prosecution of the war. This great authority, involving responsibility of a corresponding magnitude, the Government has felt bound to regard as a sacred

CANADA'S EFFORT IN THE GREAT WAR

trust. Not once since the war began has it been charged with any improper, oppressive or excessive exercise of the trust thus freely granted and solemnly accepted.

The Naval Service

The Naval Service was the first Canadian Service affected by war-time conditions. The Government purchased two submarines at Seattle on the very day before hostilities began. The Naval authorities were engaged in forming crews for these boats, when Germany's invasion of Belgium caused Great Britain formally to enter the conflict. The Department has ever since been occupied in the fulfillment of a multitude of war duties. It administers the dock-yards at Halifax and Esquimalt, the ships 'Niobe' and 'Rainbow,' the two submarines and many smaller vessels devoted to various purposes. It is also engaged in securing naval intelligence, preventing contraband traffic, supervising enemy and neutral commerce, censoring telegraph and cable companies and news agencies, directing the movements of store and troop transports and mine-sweeping flotillas, providing coast patrols and harbour defences and managing radio-telegraph services.

Many wireless stations were closed down to prevent their abuse by the enemy. The stations left open were manned by a staff of censors and military or police guards. Canadian dock-yards have issued supplies to British, French, Japanese and Australian warships. The Canadian ships and their crews act under the direction of the British Admiralty, which constantly avails itself of their services. The Dominion bears the entire cost of its naval as of its military services. The Naval Service Department is enlisting men for the Royal Naval Canadian Volunteer Reserve. After their enlistment the recruits are placed at the disposal of the Admiralty for service overseas. They are trained in Great Britain and serve on the ships of the Royal Navy. Altogether the Canadian Naval Service is enlisting 4,000 men for actual service afloat around the Canadian coast. This is in addition to 3,000 men enlisted in Canada for the Royal Navy.

The associated Department of Marine and Fisheries is steadily in receipt of information from Imperial and neutral sources, as to conditions in the various waters of the world and as to the precautions that should be observed in meeting these conditions. This information is sent out to the Canadian Merchant Marine. Warnings are issued regarding mine-sweeping operations and other war perils in Canadian waters. The Department of Marine and Fisheries also keeps a strong hand on the Canadian Merchant Marine, in order that no vessels may be improperly transferred to foreign registers or engaged in trade likely to assist the enemy.

Raising an Army

We turn to the Militia Department. A great part of the Militia was at once called out. Guards were placed at many bridges, buildings, outposts and strategic points. Adequate defences were provided on both ocean coasts. Garrisons had to be sent to Bermuda and St. Lucia, and many other minor war duties performed. But the great task which faced the Government and the Department of Militia in the early days of August, 1914, was the recruitment, equipment and mobilization of the first Canadian Expeditionary Force of about 33,000 men, and the crea-

CANADA'S EFFORT IN THE GREAT WAR

tion of Valcartier Camp for the reception and training of that Contingent. Those were strenuous days. Great burdens were suddenly thrust upon an overworked and under-manned Militia Department. Much was accomplished, quickly and thoroughly by a non-military country, long absorbed in the arts and activities of peace.

Early in October, the First Contingent left for England in thirty-one transports, "the greatest armada that ever crossed the seas." Since that initial effort, the soldiers of Canada have won a world's praise, enlistments have exceeded 400,000, and the Canadian military organization in Europe has expanded accordingly. The magnitude of this achievement will some day be recognized—all the difficulties which obstruct a great and many-sided undertaking will be measured and emphasized. In cooler and quieter days war-time conditions, favourable and inimical, will be more clearly understood. Praise and blame will be more justly apportioned. As yet the results are unrealized or incomplete.

Canadian hospitals fully equipped with Canadian doctors, dentists and nurses, have been extended to Great Britain, France and Greece. The manufacture of munitions has become the chief Canadian industry. Good management of the National finances has overcome business depression, and brought a marked degree of prosperity throughout Canada. Financial conditions are buoyant. Revenues continue to increase. The abounding generosity of the Canadian people has provided many millions of dollars for the relief of sick and wounded and the dependents of soldiers.

Size of Army

Up to August, 1914, the Canadian Militia organization, with Headquarters at Ottawa, was designed to deal with a force of 3,000 permanent troops and train about 50,000 militiamen for 12 or 15 days per annum under peace conditions. This limited organization has been expanded and adapted until authority is exercised over a huge army on the equivalent of a permanent basis and under war conditions. By successive stages the number of troops authorized for overseas service has been increased to 100,000; to 150,000; to 250,000 and 500,000. Up to the end of February, 1917, over 400,000 officers and men had joined the Canadian Expeditionary Force. On garrison, guard and instructional duty within Canada there were some 12,500 troops, making a total of over 415,000. By the end of March, 1917, more than 300,000 of the Expeditionary Force had gone overseas and thousands more were under orders, so that the number overseas would rapidly approximate to 350,000. At the end of February, 1917, there were 120,000 Canadians in France, and 130,000 in England preparing for the front. On the date mentioned 175,000 Canadian troops had seen service in France or the near East. If we include Canada's contributions to the Canadian and British naval services, and to special British services, 421,000 Canadians had on March 1st, 1917, gone to the aid of the Empire. Adding the number of British, French, Russian and Italian reservists who had left Canada to join their own armies, the drain on Canada's man power was over 442,000 up to March 1st.

Somewhere in France there are engaged in active operations a Canadian Army Corps of Four Divisions, a Canadian Cavalry Brigade, and line of

CANADA'S EFFORT IN THE GREAT WAR

communication units including supply columns, munition transports, hospitals and depots. Several railway construction corps and corps of Canadian woodsmen are detached on special service. Elsewhere than in France two Canadian general hospitals and one Canadian stationary hospital are serving with the British Expeditionary Force in the Mediterranean. One Canadian Battalion is at Bermuda and a company of the Royal Canadian Garrison Artillery is at St. Lucia, British West Indies. The portion of the Canadian Force now in England is mainly located within the two Canadian Training Divisions, one at Shorncliffe and the other at Bramshott. The principal administrative offices are in London and a certain number of units and depots are established at detached stations such as Folkestone, Dover, Ashford, Hythe, Denham, Horsham, Winchester, Southampton, Salisbury Plain, Swindon and Newcastle.

Up to March, 1917, over 300,000 officers and men had been safely transported overseas and the magnitude of the achievement can scarcely be appreciated. The Dominion has raised an army 15 times as large as the British army at Waterloo, more than five times as large as the total force under either Wellington or Napoleon, and considerably more than twice as large as the combined armies engaged in that decisive battle. The armada comprising the first Canadian Contingent carried one-third more men than the "Invincible Armada" of Spain. The Canadian Expeditionary Force now overseas is greater by 100 per cent. than the army which France originally expected Great Britain to send to the Continent. Altogether Canada has raised a force more than double the British Army Establishment before the war if British troops on the Indian Establishment, and native troops in India are excluded. The Dominion has enlisted several thousand more men than were enrolled in the regular British Army, if the native troops of India are included. In keeping with this achievement, the Department of Militia and Defence is now a more extensive organization than the British War Office before the war began. Where a personnel of 306 sufficed in peace times, a staff of 2562 is now engaged. There has been a corresponding increase in military expenditures. In peace we had an annual defence expenditure of \$10,000,000. This has grown to \$300,000,000 a year or well on to \$1,000,000 a day.

Canada's Man Power

In the Autumn of 1916 the Government created a Directorate of National Service to make a survey of the national man power, with a view to utilizing such man power to the best possible effect in the war. The Prime Minister toured most of the Provinces in company with Mr. R. B. Bennet, M. P., whom he had selected as Director-General of National Service. As a result of the appeal there was a highly satisfactory response from most parts of the country. A great proportion of the male population signified their willingness to serve the country in various capacities. Although the Board is a registration rather than an executive agency, it has played a considerable part in securing labour for highly necessary farming operations and in stimulating a considerable amount of recruiting.*

* On his return from the Imperial War Conference in May, 1917, Sir Robert Borden announced that reinforcements for the front would be secured by resort to the compulsory draft system.

CANADA'S EFFORT IN THE GREAT WAR

Equipment and Supplies From the outset the equipment and supply of the growing Canadian army has been a mighty problem and the fact that an overstrained Quarter Master General's Department has proved equal to its expanding responsibilities reflects great credit upon the staff. On the outbreak of war adequate supplies were promptly secured and distributed to the various mobilization centres throughout the country. It was also necessary to accumulate a great quantity of clothing and stores at Valcartier for the First Contingent. So sufficient clothing and stores had to be sent across the ocean to provide for the wants of the contingent after its arrival at Salisbury. Thousands of packages were shipped; every transport carried a consignment.

To equip the First Division and make provision for future contingents the following initial purchases were made: 290,000 pairs of boots and shoes, 100,000 forage caps, 90,000 great coats, 240,000 jackets and sweaters of various types, 235,000 pairs of trousers, 70,000 rifles, 70,000 bayonets, 80,000 oil bottles, 70,000 water bottles and 95,000 sets of valise equipment. As every soldier is supplied with 66 separate articles of equipment this partial list will give an idea of the enormous task imposed upon the Quarter Master General's Department. With the First Expeditionary Force the Ordnance Department sent 21 13-pounder quick-firing guns, 96 18-pounder quick-firing guns, 10 breach-loading 60-pounder guns, a number of machine guns, motor lorries, transport wagons and large quantities of ammunition.

Up to March, 1917, the Department had purchased 2,336,000 boots and shoes; 2,000,000 boot laces; 1,250,000 forage caps; 917,500 cloaks and great coats; 1,834,500 jackets and sweater jackets; 2,403,700 trousers, breeches and pantaloons; 800,000 braces; nearly 2,000,000 drawers; 4,282,000 flannel and service shirts; 3,150,000 socks; and corresponding quantities of the five or six dozen articles furnished to Canadians on active service. These figures show that the work of keeping the Canadian Expeditionary Force adequately equipped and supplied has expanded into a gigantic undertaking. The complexity of the task is greatly increased by the fact that the Canadian army is now scattered over half of North America and a great part of Great Britain and Northern France.

Records of Sick and Wounded The Department of Militia has had to create an extensive Canadian Headquarters organization in England. The scope and completeness of this branch of the Service can scarcely be realized, except by those who have actually seen it at work. One point may be emphasized. Canadian military authorities in England as in Canada show constant concern for the health and comfort of the soldiers, and tender consideration for those at home who are ever anxious for tidings of kindred or friends at the front. At Records Offices in Ottawa and London, details of the whereabouts and condition of the sick and wounded are always available. From these offices bulletins go out to the press and public at reasonable intervals. The door is open night and day and so accurate is the work done that no unnecessary mistakes bring grief to the relatives of Canadian soldiers. The staff has been trained to break the news gently to the next of kin. Almost invariably the cablegrams reporting casualties reach the Records Office after 6 p.m. Every effort is made to

CANADA'S EFFORT IN THE GREAT WAR

send out all notices the same evening, but the telegraph companies are under instructions to deliver no telegram reporting a casualty to a bereaved home after 9 p.m.; nor are the companies allowed to make any charge for the delivery of such messages. So far as possible no information relating to a casualty is communicated to the public press until the next of kin has received proper notification. Everything possible is done to relieve the anxiety of sick and wounded soldiers' families in this country. The work of the Canadian Patriotic Fund Association and the Pensions Board is based upon the information contained in the files of this Office. A free telegraph and cable service has been arranged for the benefit of friends and relatives who wish to make enquiries regarding those in hospital.

Canadian Heroes

Canada thrills with pride when it considers the splendid distinction with which its citizen soldiers have borne themselves in the face of the enemy. They were among the first to suffer a gas attack at the hands of German Kultur, but even the lung-racking fumes discharged against them at Ypres failed to break their spirit. They stood their ground and saved the situation. Individual Canadians have been awarded many military honours, including Victoria Crosses. The total number of casualties amongst officers and men of the Canadian Expeditionary Forces up to March 23, 1917, was 75,386, made up as follows:

Killed in action	12,185
Died of wounds	4,355
Died of sickness	666
Presumed dead	1,104
Missing	2,741
Wounded	51,961
Prisoners	2,374

Pay and Pensions

The Canadian soldier is, like the Australian, the best paid in the world. His dependents receive a separation allowance, generous in comparison with that paid in other countries. In addition, the Government pays his dependent or dependents such portion of his pay as he may assign. The conveniences thus created on behalf of the soldier and his kin involve the maintenance of the "Assigned Pay and Separation Allowance Branches" at Militia headquarters with 539 of a staff. Between 80,000 and 90,000 persons receive separation allowances and 150,000 assigned pay. Separation allowances now run into \$2,000,000 monthly, while the assigned pay cheques sent out every thirty days aggregate over \$2,500,000. Over 275,000 letters go forth from this branch alone every month. The soldiers are scattered over two hemispheres and their dependents reside for the most part in different sections of Canada. A ledger account has had to be opened with each soldier and each dependent. In the soldier's interest 50 per cent of his pay is now withheld and credited to him on discharge.

Military and naval pensions have been provided for the disabled and for bereaved dependents. The award and payment of pensions is administered by an independent Commission removed from all political influences and holding office for ten year periods. Even before the Commission took

CANADA'S EFFORT IN THE GREAT WAR

over the work on September 11th, 1916, 3,500 pensions and gratuities had been recommended. Up to March 17th, 1917, the Commission granted 9,835 pensions. At the end of March they were being allowed at the rate of 1,000 a week.

Patriotic Doctors

The Canadian Military Medical Service has long consisted of two distinct organizations, known as "The Canadian Army Medical Corps" and the "Canadian Permanent Army Medical Corps". The former is composed of medical officers and men not on permanent service. Early in the war most of the officers of the Permanent Medical Force were despatched overseas, leaving the administration of medical services in Canada largely dependent on the Canadian Army Medical Corps, which has been immensely augmented. The non-commissioned officers of the C. P. A. M. C. have done a great work.

In splendid response to the country's call, the physicians of Canada have thrown themselves heart and soul into the cause of the Empire and of humanity; 2,000 of them, at home and overseas, have sacrificed large practices and considerable incomes to place their knowledge, talent and skill at the service of the state and of mankind. Through the fine patriotism of these men, the Government has been enabled to build up overseas a very extensive medical organization, the services of which extend not only to the Canadian forces but also to the Allied armies on the Western and near Eastern fronts. This organization maintains sixteen field ambulances with the Canadian forces, conducts seven general hospitals (five in France and two in Greece, each with a capacity of from 1,000 to 1,500 beds), seven stationary hospitals (three in France, one in Greece, and three in England, each with a minimum capacity of 400 beds), four casualty clearing stations (three in France and one in England, each accommodating 200 or more soldiers), various sanitary sections, depots for medical supplies and a mobile laboratory. The Canadian organization administers 27 Canadian hospitals in England with a capacity of 15,270 beds, and two sanatoria. These can care for 26,000 sick and wounded.

Work of Canadian Women

The hospitals which Canada has established overseas are, in equipment and reputation, equal to the best maintained by any of the belligerents. Some of them were supplied and equipped by the generosity of individual Canadians and Canadian associations. The Canadian Red Cross Society has provided several, notably, the Duchess of Connaught hospital at Cliveden, which in equipment and capacity is unsurpassed. The hospital created by the Ontario Government at Orpington has 2,000 beds. The part which the women of Canada have taken in these works of necessity and mercy, in raising funds for the equipment and maintenance of hospitals and for the pay of Canadian nurses, is beyond praise. Never for a moment have they relaxed their efforts. Their energy and skill continue to produce to the value of millions of dollars annually those hospital necessities and comforts in the provision of which the Red Cross Society has become world famous.

CANADA'S EFFORT IN THE GREAT WAR

Restoring the Incapacitated The specific character and capacity of the various overseas hospitals and their methods of administration are worthy of detailed description did space permit. Physical training and vocational re-education are provided in convalescent institutions. At the outset, the care of convalescent soldiers returning to Canada was assumed by the military authorities. But having in view the double object of relieving the overburdened Department of Militia and of providing for convalescent soldiers certain advantages not easily given under a purely military administration, it was decided to place all convalescent military hospitals in Canada under a special Commission headed by a member of the Cabinet, Sir James Lougheed.

Military Hospitals Commission This "Military Hospitals Commission" was appointed in June, 1915. It has effected an efficient co-ordination of effort between the Dominion and Provincial authorities with the permanent welfare of the returned soldier always as the great object. This happy co-operation is the result of a conference held at Ottawa in 1915, at which representatives of the various Provincial Governments discussed with the Commission all phases of the returning soldier's possible needs. By Order-in-Council returned soldiers were already given the preference for all Civil Service vacancies. In addition to this, Provincial associations now meet and welcome them and assist them to secure employment as soon as they are in a condition to undertake it. As each transport arrives from overseas, men requiring further medical treatment or rest are taken in hand and placed in the convalescent hospitals nearest to their homes or most suitable to their disabilities. More than twenty of these hospitals have been established throughout Canada, many of them (as was the case with the hospitals in England) through the generosity of individual Canadians and Canadian associations. Within these institutions, and by means of scientific appliances, physical training and massage, some wonderful restorations to usefulness are being achieved. The percentage of complete restorations is very high.

Re-educating Convalescents If it becomes apparent that the patient, on discharge, will not be able to resume his former vocation, he is given an opportunity to acquire a new means of livelihood. This opportunity is afforded through a system of vocational re-education, so that he may not become a charge upon his relatives or upon the community, but may remain self-supporting and self-respecting. Wherever necessary artificial limbs are provided. Special institutions to care for the consumptive and for those suffering from any form of mental shock are also furnished. While the returned soldier is receiving vocational training, the Commission is authorized, under special Order-in-Council, to supplement his pension. As in-patients or out-patients of convalescent hospitals, soldiers receive pay and their separation allowance continues until discharge. On special permission patients may live out of hospital and attend whenever required.

A Dental Revolution The operations of the Canadian Army Dental Corps, established in 1915, call for particular mention. There is no such corps in any of the other Allied armies, not even in the British army. The significance of this statement will be understood when

CANADA'S EFFORT IN THE GREAT WAR

it is stated that dental defects are responsible for more rejections of recruits than any other single cause. At one time or another ten per cent. of a dentally neglected army is rendered unfit for service by dental troubles, and trench life tends greatly to accentuate such troubles. More than 75,000 men now serving in the Canadian army owe their eligibility to the Canadian Dental Corps. The corps has performed over 1,000,000 operations upon recruits and casualties. It has a personnel of about 500 in Canada and 1,000 overseas. It is represented in all of the larger military units of the Canadian Expeditionary Force, and its services are much in demand beyond the Canadian lines, that is to say, amongst the other Allied forces. Its clinics and laboratories extend from Halifax to Victoria in Canada, to Bermuda, England, France, Belgium, Greece and Egypt. Writing of the work of this Canadian Corps at the front, Brig. Gen. Watson, Commanding the 5th Canadian Infantry Brigade, says he regards the appointment of dental officers to military commands as "one of the best steps taken by the Canadian Government."

Soldiers' Estates

In its care for the officers and men of the Canadian army, the Militia Department collects the personal effects of deceased soldiers from the field of battle, or wherever else these may be found, and forwards them to the next of kin. By this means, wherever possible, the relatives of the dead men are placed in possession of many articles which often may not have much intrinsic value but will long be treasured in memory of those who have bravely died for the country. The Estates Branch, which manages this delicate business, is one of the most striking developments of the war in Canada. Organized by Major H. S. Relf, a returned officer of the Princess Patricias, it is manned exclusively by officers and men who are lawyers by profession and have seen service at the front. The staff includes a personnel of 56.

The procedure is simple, though infinite pains are involved in carrying it out. On the death of a soldier while on active service in France the fact is communicated, by cable, to England, and then to Ottawa; his personal effects are collected, placed in a package, and forwarded to the Base. There they are checked and an inventory is sent with them to the Pay and Records Office in London, England, where they are again checked and re-wrapped for distribution. If a man has left any belongings in England before going to the front, these are collected and forwarded to the London office and the whole of his personal effects are thence sent to the Estates Branch, at Ottawa—that is, if the beneficiary or next of kin resides in this country.

The deceased's pay account is closed as soon as his death is officially reported, and it is then known as his "non-effective" account. A lapse of four or five months is necessary before a non-effective account can be properly certified as correct, and in some cases six months. If the next of kin, or beneficiary, resides in this country, the account is forwarded here for settlement. The pay books are sent to the London office, and if they contain wills these are extracted and placed on file for safe-keeping and properly indexed. When the non-effective account, personal and surplus effects, reach the office of the Ottawa Estates Branch, the legal domicile of the de-

CANADA'S EFFORT IN THE GREAT WAR

ceased is carefully ascertained, and in case of intestacy the military estate is distributed according to the law of the province or country of the deceased's domicile.

The ordinary military will, made in camp or field, governs the disposal of personal effects. It does not determine the disposal of real estate, and for this reason the Estates Branch has distributed to all military districts, free of charge, a printed will form which stands the test of law anywhere. Every soldier is urged to make use of this form before going overseas, as in case of fatality the task of winding up his affairs will be greatly facilitated. The Canadian Estates Branch has already taken about 9,000 estates in charge and it has 60,000 wills in its safe keeping. The storerooms of the Branch at Ottawa are constantly filled with carefully packed and labelled personal effects of officers and men in process of distribution.

Aeroplane Schools and Factories

Young Canadians are serving in the Imperial Air Corps and not a few have won marked distinction. High class aeroplanes have also been manufactured in this country for use in the war. Since the beginning of 1917 a further step has been taken. Under an arrangement between the British and Canadian governments, this country has secured both extensive flying schools and airship factories. The Imperial War Office has, in fact, established in Canada Royal Reserve Flying Squadrons, in which young Canadian pilots are being trained for service in the Imperial Army. With financial assistance from the Canadian Government, the Imperial Munitions Board has erected important aeroplane factories at Camp Borden and other points.

Censorship and Pre- cautionary Measures.

In August, 1914, and from time to time as occasion has required, the Government has adopted Orders-in-Council "for the prevention of the giving out of information calculated to be, or that might be, directly or indirectly useful to the enemy, and for the prevention of espionage and generally for the security of the forces of His Majesty in Canada and for the welfare of the people of Canada." Under the general authority thus taken it is forbidden to publish or communicate news with respect to the movements of troops or ships of war, or to circulate false intimations likely to cause alarm, or to practice espionage. No privately owned cable, telegraph or telephone lines have been taken over by the Government, but all are operated subject to governmental regulations. The Secretary of State supervises telegraph and telephone lines, while the Department of Militia and Defence exercises authority over the cable companies.

Before the war, the Canadian Government, in collaboration with the Imperial Defence Committee, arranged for censorship of cables and wireless stations, and the system then devised was put into operation during the "period of strained relations" which immediately preceded the war. It came into effect without friction. Owing to the geographical configuration of North America, nearly all the Atlantic cables pass through Canadian or Newfoundland stations. When the war broke, the bulk of the messages between the United States and Europe were carried by these services. But there

was also a cable from New York to France, and a cable from New York to Germany. The last named was cut at once by the British navy, so that the whole cable communication between this continent and Europe, outside that of the French-American cable, passes through Canadian and Newfoundland stations. The Canadian censorship controls by far the greater part of this traffic, handling some 10,000 messages daily. The Germans have complained bitterly of the efficiency of the British censorship, while every effort has been made to interfere as little as possible with Canadian and sincerely neutral merchants. The operation of the censorship has brought forth few complaints. With the friendly concurrence of the Canadian press supervision is exercised over all publications in this country. On the whole this has worked with marked success. In so far as can reasonably be assured foreign publications of an injurious character are prohibited from entry into and circulation in this country.

Great Military Camps

Of the many military camps necessarily provided in different parts of Canada, Valcartier Camp, Camp Borden and Camp Hughes have furnished the most remarkable examples of rapid and successful organization. Valcartier Camp was required for the speedy concentration of the First Contingent. Construction work began on August 8th, four days after war was declared, and was practically completed in four weeks. In that time a number of contiguous farms were converted into a vast military encampment, with nearly four miles of rifle ranges and a military population of 35,000. When the Prime Minister visited the camp early in September he found a great military city, equipped with a complete system of streets, water, lighting and sewerage services. Railway sidings and landing platforms had been provided, permanent buildings erected and the most modern sanitary conveniences installed. Looking at this striking evidence of military efficiency, Sir Robert Borden said: "I venture the assertion that the organization and arrangement of Valcartier Camp has not been excelled in any part of our Empire since the commencement of this war."

As the war wore on and the English camps were crowded with the new British army, it was found advisable to carry the training of Canadian troops to more advanced stages before their despatch overseas. It was, moreover, to the economic advantage of Canada that this policy should be pursued. With this end in view the Government provided Camp Borden for the accommodation of a large proportion of the troops raised in Ontario. Approached by several lines of railway, connecting it by frequent passenger services with all parts of the country, the camp presents an attractive appearance. Visitors descend from the train upon a great stretch of platforms, flanked by large and commodious station buildings, which look out upon a tented city extending as far as the eye can reach. The camp occupies an elevated, pine-clad plain, and has an elevation similar to that of Muskoka and other health resorts to which people with means annually resort by tens of thousands in search of strength and recreation.

Even in the hottest weather this plateau is seldom without a breeze. Besides extreme heat in this high, dry region is less trying upon the human system than a similar temperature in Toronto and other places

CANADA'S EFFORT IN THE GREAT WAR

where the atmosphere is charged with moisture. If Camp Borden has its dust, Niagara, Valcartier and Salisbury Plain had their mud. Nowhere can immense bodies of young men be assembled under novel conditions in improvised quarters without some fault finding and possibly real grounds of complaint. But these cease or disappear as they did in Camp Borden, when the men grow accustomed to their environment. A visit to Camp Borden is the best antidote to criticism. Go there and see it and you will not be ashamed of Canada.

The food is prepared in commodious kitchens completely screened from the flies, and refuse is immediately destroyed in standardized incinerators. The old fashioned latrines known in other camps have given place to modern equipment. The "finest water in the world" is turned on to every part of the camp, and a modern sewerage system contributes to a highly sanitary condition. The black dust, incidental to the destruction by fire of waste timber on a sandy plain, diminishes as the concrete pavements gain mileage.

Experienced military officers who have seen service abroad and are familiar with the camps of Europe freely assert that Camp Borden is one of the finest they have ever visited. Its sick list is small and its sanitary record perhaps the best in the world. Its central location and excellent railway connections make it easily accessible from all parts of Ontario. The land occupied being of inferior character, and largely wilderness, was secured at moderate prices. Most important of all, Camp Borden has enabled the military authorities to give troops advanced training in manoeuvres, rifle practice, skirmishing, bombing and trench work.

The increased cost of living that has come with the war has provoked criticisms and possibly caused hardships, but the Government has been able to furnish the soldiers with good food for comparatively little money. Last summer, more than 30,000 men at Camp Hughes were supplied with nourishing and highly acceptable food for about nine cents per head per meal. As satisfactory results have been achieved by the commissariats at other camps throughout the Dominion.

The Y.M.C.A. The Government has thought it wise and in the interest of the soldier, officially to recognize the Young Men's Christian Association. Canadian resting camps in France have Y. M. C. A. quarters, in charge of commissioned officers, whose business it is to provide recreation and comforts for the soldiers when they are out of the trenches. When the men retire from the firing line for periods of rest, they enjoy the concerts, lectures, moving picture shows and other entertainments provided by the Y. M. C. A.

Relief for Canadians As a result of the extraordinary conditions suddenly brought about in Europe in the summer and fall of 1914, many persons of Canadian birth who were travelling abroad found themselves financially embarrassed. The dislocation of the world's money markets made it difficult to procure funds from their relatives in this country. In this dilemma many had recourse to the Acting Canadian High Commissioner in London, who readily granted bona fide applicants special

CANADA'S EFFORT IN THE GREAT WAR

financial assistance. The Canadian Government furnished the money necessary from this side of the water, and was re-imburshed by the grateful travellers.

Gifts of Food

When the war came it was foreseen that food conditions in the Mother country would, in all probability, become temporarily acute. It was, moreover, desired to express immediate and practical sympathy with the Old Land in the great struggle upon which she had entered. The Government, therefore, through His Royal Highness the Duke of Connaught, Governor General, on August 6th, 1914, cabled the Imperial Authorities as follows:

"My advisers request me to inform you that the people of
"Canada, through their Government, desire to offer 1,000,000
"bags of flour of 98 lbs. each as a gift to the people of the
"United Kingdom, to be placed at the disposal of His Majesty's
"Government and to be used for such purposes as they may
"deem expedient."

The Imperial Authorities replied:

"On behalf of the people of the United Kingdom. His
"Majesty's Government accept with deep gratitude the splendid
"and wholesouled gift of flour from Canada, which will be of the
"greatest use for the steadying of prices and relief of distress in
"this country. We can never forget the generosity and prompt-
"itude of this gift and the patriotism from which it springs."

The flour was all purchased from Canadian milling companies and delivered at seven British ports selected by the British Government. This gift of the people of Canada through the Dominion Government was followed by donations from Provincial Governments and from prominent individuals. The farmers of Ontario gave flour, oats, potatoes and other foodstuffs, and cash to a total of \$108,529. A like generous course was followed in other provinces. An offering of this kind was a presentation to His Royal Highness the Duke of Connaught, at Government House, in the autumn of 1916, of the shipping bills for a large quantity of flour presented by the United Farmers of Alberta and Saskatchewan to the British Government.

Patriotic Generosity

In all the achievements of the war the Government claims credit only in so far as it has executed the purposes of the people, and because in a difficult period and with unusual and heavy responsibilities, it has administered public affairs with courage, vigour and clean hands. The ministers have always had before them as a perpetual inspiration the proved patriotism and devotion of the whole country, without which their own efforts would have been in vain and futile.

The Nation's unselfish devotion to a great cause has been manifested in concrete form by astonishingly large contributions for patriotic purposes. Altogether \$55,000,000 or \$60,000,000 has been raised for the support of Canadian soldiers' dependents, for Red Cross purposes, for the War Contingent Association, which distributes comforts to the soldiers at the front and for other relief purposes.

CANADA'S EFFORT IN THE GREAT WAR

The Canadian Red Cross Society alone has been instrumental in raising for its own use and for the use of European Red Cross organizations, including the mother association of Great Britain, over \$18,000,000 in cash and supplies. On Trafalgar Day, 1915, Canada contributed nearly \$2,000,000 to the British Red Cross Society, or more than twice as much as all the other British Dominions and dependencies. An almost equally large sum was raised for the British Red Cross on Trafalgar Day, 1916. The Canadian Red Cross Society has contributed to the French Society large sums in cash and supplies and has made notable gifts to the Belgian, Russian, Italian and Montenegrin societies. The generosity of the public toward the Canadian Patriotic Fund has been abounding. The receipts of the fund since its inception to the end of March, 1917, were \$21,325,752.

Commenting on Canada's achievements in the war, the New York Independent last year said: "Canada is taking long strides along the path of progressivism. She is finding herself in the war in a way that compels admiration. It is a big enough achievement to build a volunteer army of 350,000 for overseas service, to foot a bill of half a billion dollars for war expenses, and to raise from private pockets thirty millions for war relief. But her political progress is even more astonishing. When the war is over Canada will have suffered severe losses and will be carrying a heavy debt, but her splendid action on these two vital issues will make the country a better place to live in than 'before the war.'"

In the course of an address to the Canadian Club of Montreal, Judge William McAdoo, of New York, said:

"My country has marvelled at the miraculous feat of Canada, a country with a population little exceeding that of the State of New York, in recruiting, training and transporting safely to Europe more than 400,000 men. For that we take off our hats to Canada as a great, virile nation If the supreme test comes to us, under the providence of God I sincerely hope we shall make as good an exhibit as the people of this Dominion."

On March 20, 1917, the New York Tribune said:

"Canada's part in the war is one of the most brilliant chapters in the world's history.

"In two years and a half a nation of eight million, trained in the arts of peace, indifferent to the manoeuvrings of war has become a big factor on the battlefield and in the financial operations on which military success is based.

"This peaceful energetic neighbor of ours decided to raise an army of 50,000, increased it to 400,000, and is now aiming at 500,000 with a certainty of success.

"A year before the war Canada's trade balance was \$430,000,000 on the wrong side; its exports for the present year exceed its imports by \$345,000,000. Though not fully developed industrially, the Dominion has been able to provide fully for its armies, to manufacture munitions for its allies, finance the payments to raise millions for war relief and to participate in British loans.

"Starting out with a loan on the mother country, Canada soon found as the result of interior reforms forced by the war that she could pay her own way and this she is doing ungrudgingly."

DEPARTMENTAL WAR ACTIVITIES

Justice and Police

For all departments of the Government the most stupendous military struggle in history has brought new and varied responsibilities and multiplied activities. We have glanced at the work accomplished by the Department of Militia and Defence. The services of the Finance Department have been so important that they are dealt with under the special heading, "Economic Effects of the War." The Department of Justice has resolved for all the other Departments many new problems arising out of war-time conditions. It has prepared legislation and Orders-in-Council governing every aspect of Canada's participation in the conflict. It has kept the alien enemy population under surveillance and has had control over the various internment camps established in consonance with humanitarian considerations and with the principles of international law. It has been the policy of Canada not to interfere with alien enemy residents who peacefully pursue their ordinary vocations and do not engage in hostile or unfriendly acts, but to intern those who conduct themselves in a manner likely to injure the commonwealth. In some cases, recourse has been had to internment in the interests of destitute aliens, of whom there were many thousands just after the outbreak of war, and also of those who were in danger of personal injury or whose presence in certain communities was likely to provoke strife.

At the outset, residents of enemy origin were informed by Royal Proclamation and otherwise that they would be immune from interference so long as they conducted themselves in a proper manner. The possession of firearms and explosives by alien enemies was prohibited and measures were taken to enforce that prohibition. Registration offices for alien enemies were opened in many localities and very complete records thus secured of all Germans, Austrians, Turks and Bulgarians in the country. As the necessity for such offices has ceased, they have been gradually closed. Registrations to date total 75,000, of which 70 per cent. are Austrians and about 20 per cent. Germans. The census of 1911 fixed the male population of these four races (including only those not naturalized) at 106,000. About 112,000 alien enemies entered the country between June, 1911, when this census was taken, and the beginning of the war. But when those under and above military age are deducted it is probable that a very small percentage of fighting men remain unregistered in the country. No alien enemy may leave Canada without a Government permit.

Major-General Sir William Otter, who was placed in charge of the alien population, has had at his disposal a special military force to control the internment camps. A few hundreds of the prisoners are German sailors captured from enemy warships, but the majority are dangerous or suspected alien enemy residents. All are properly clothed and maintained in strict accordance with the recognized principles of international law. They are given employment and paid therefor, generally upon a military basis. Originally three camps were located in Alberta, five in British Columbia, one in Manitoba, two in Nova Scotia, five in Ontario and two in Quebec. Ten of these camps have now been closed. About 7,800 enemy aliens have been

CANADA'S EFFORT IN THE GREAT WAR

interned since the beginning of the war, but in March, 1917, the number in camps had been reduced to 2,600 of whom 1,500 were Germans and 1,100 Austrians. This reduction was made possible by the abundance of work available, for which work those interned as destitute, were gradually released. All releases have been carefully and individually supervised. Each release has been recorded and followed up by the authorities to see that no evasions occurred. Though the majority of the prisoners are Germans, Canadian Germans have been uniformly peaceful and well-disposed throughout the war. No crime or outrage has been traced to their doors. Many Canadian-born sons of German parents are with the Overseas Forces in France. So-called German communities have been generous in their contributions to the Canadian Patriotic and Red Cross funds.

The Royal North West Mounted Police and the Dominion Police have been materially augmented in strength to cope with the variety of new duties devolving upon both forces because of the war. These duties have been most efficiently performed. By intercepting the mail of all suspects, hundreds of thousands of dollars have been prevented from reaching enemy countries. A close watch has been kept upon the activities of enemy aliens in the United States, and in this way any thought of an organized movement against Canada has been discouraged.

The Post Office The Post Office Department has been hampered in its general operations by slow communications consequent upon the seizure of fast boats for war purposes. Its money-order business was handicapped very seriously for a time by unusual conditions in international exchange. In August, 1914, the issue of money-orders upon Europe had to be discontinued for a time, but early in September it became possible to resume transactions with most Allied and neutral countries. By the end of January, 1915, the rate of exchange having again become normal, money-orders were authorized on the usual basis of \$4.87 to the pound. An increase of nearly \$6,000,000 in the Post Office revenue for 1915 was almost entirely traceable to the sale of war-tax stamps, for there was no evidence of any increase in postal business. The heavy excess in deposits over withdrawals at Post Office savings banks is traced to unusual war-time earnings in munition, mining and other industries. The removal of 300,000 soldiers overseas has involved a marked increase of transactions and entries in connection with their Post Office savings accounts and those of their relatives. The censorship maintained by the Post Office has been active and searching, but interference with correspondence has been governed strictly by consideration for the national interest. Some twenty-five or thirty newspapers, nearly all published in the United States, have been refused the privileges of the Canadian mails and prohibited from entry to or circulation in Canada.

The Customs Department The Customs Department has had to consider enemy prizes, export embargoes on certain commodities and the granting of licenses to trade in prohibited commodities or with the enemy. All articles which might possibly strengthen the enemy and which might reach him if permitted to leave Canada are exportable only under

CANADA'S EFFORT IN THE GREAT WAR

Government license granted after careful investigation. As closely as the different conditions permit, the Department follows the lead of the British Government in respect to embargoes. Wherever it is clearly established that the issue of a license for any particular transaction with an enemy will be to the advantage of Canadian industry without imperilling the Allied cause, the Minister issues it. The Department is in constant communication with the Imperial authorities regarding the multitude of problems that arise for settlement in this connection.

Department of Agriculture Recognizing the importance which ample food supplies would assume in the prosecution of the war the Department of Agriculture carried on during the winter of 1914-15 and the spring of 1915 a systematic "Patriotism and Production" campaign throughout the whole of Canada. This involved not only an extensive system of advertising and general co-operation with the entire press, but the employment of a large staff of agricultural experts who, during the winter and spring of 1915, addressed nearly six hundred meetings in all the Provinces. The aggregate attendance at these meetings was very large and the campaign undoubtedly was influential in greatly increasing the acreage put under crop in 1915, and in stimulating a general all-round expansion in agricultural production.

In the winter and spring of 1915-16, and under the slogan "Production and Thrift," the Departments of Agriculture and Finance co-operated in an even more far-reaching effort. By means of a publicity campaign utilizing, entirely irrespective of party, practically the whole press of Canada, the necessity for thrift and the conservation of our national resources was placed before the people. Economy was promoted and production further stimulated. In connection with each of these campaigns the Government issued an Agricultural War Book. In both years special attention was given to the livestock industry. In view of the depletion of European herds the Department of Agriculture is aggressive in its efforts to develop this important branch of agriculture and to interest everybody concerned in the creation of a great domestic and export trade in meats and animal products. In the winter and spring of 1917 the Department of Agriculture conducted a third energetic production campaign by means of the press, platform appeals and the enlistment of municipalities and private agencies in the movement.

In the interest of agriculture members of the Expeditionary Force still in Canada have been granted leave during the plowing, sowing and harvesting seasons. In the spring of 1916 nearly 20,000 men temporarily left the various military camps to do necessary work on the land. As many availed themselves of the privilege during the late summer and autumn seasons. The Department has dealt with important questions respecting patents held by alien enemies. It has served extensively as purchasing agent for the British War Office. Up to the end of Feb., 1917, while acting in this capacity it bought 7,090,972 80lb. bags of Canadian flour; 49,904,451 bushels of Canadian oats; and 400,489 tons of Canadian hay, at a total outlay of nearly \$70,000,000. This great business, conducted under the direction of the

CANADA'S EFFORT IN THE GREAT WAR

Minister of Agriculture, has saved hundreds of thousands of dollars for Great Britain and put millions of dollars into the pockets of Canadian farmers. The exports of hay were made possible by the establishment of Government compressors in several of the Provinces. At the height of the season the Montreal plant employs 500 men and handles 6,000 tons a week. No fewer than 64,000 railway cars and 441 ocean transports were employed in the shipment of these extensive purchases.

Department of Trade and Commerce The Department of Trade and Commerce has done valuable service in connection with the war and in helping to maintain prosperity in the face of war-time conditions. In August, 1914, this Department despatched the Canadian Government's free gift of one million bags of flour to the people of the United Kingdom. The order was placed with six Canadian milling companies and the Department issued cheques in payment for shipments upon inspection at Montreal. The first shipment went forward on August 24th and the last on December 1st. The flour was distributed to seven different ports in the British Isles, as requested by the Imperial Authorities. The Department also handled gifts of flour, oats, cheese, fruit, and other food, together with contributions in money from the farmers of Ontario. In cash and produce these donations exceeded \$100,000 in value. Collecting and shipping were not a light undertaking, but all was done effectively, the gifts forwarded promptly to London and used to great advantage by the Imperial Authorities.

The Department's apple campaign in the autumn of 1914 is an example of its wise activities. The war had closed the European market for Canadian apples, the crop was large and quantities of this delicious and valuable fruit were likely to go ungathered. The Minister undertook to interest the public in the wider use of the fruit, in the hope that a demand would be created and apples that otherwise would be wasted, saved and sold at reasonable prices. It was decided to advertise the apple and its uses through the Canadian press. Attractive advertisements were published in daily newspapers throughout the Dominion. Over 60,000 booklets, printed in English and French, and entitled "Apple Delights," were distributed throughout Canada. The campaign proved a thorough success; it brought remarkable results. The public took, at moderate prices, large quantities of apples that otherwise would have been lost.

The Department has acted in co-operation with other Departments in the purchase, inspection and shipment of war supplies for the British and Allied Governments. Late in October, 1914, it began to purchase blankets for the French Government. Orders were placed for 457,900 blankets and in good time thirty-four Canadian mills entrusted with the contract delivered 406,716 blankets. Owing to the anxiety of the French Government to obtain a proportion of the order at a very early date, 43,000 blankets were bought in the United States. This order alone ran into \$1,690,320.82. In March, 1915, the Department handled an order for 35,000 bags of flour from the British South African Government. The Maple Leaf Milling Company, of Toronto, submitted the lowest tender (\$3.65 per barrel at New York) and was awarded the contract, which totalled \$129,663.50. In July, 1915, Italy came into the

CANADA'S EFFORT IN THE GREAT WAR

Canadian market for 600,000 undershirts and 100,000 blankets. The Department undertook the work of inspection and paid for the goods. The transaction involved an outlay of \$1,019,886.84.

The Department had to do much work in connection with the purchase and export of wheat to meet the urgent needs of Italy in the autumn of 1915. The order came through the British Government from the Allies Purchasing Commission. It was necessary to get the grain to Fort William before the close of navigation, in order to meet Italy's immediate requirements. The Government therefore could not purchase direct from the farmers. To purchase through brokers would have involved a commission and probably a sudden rise in the market. At the time a great deal of the Canadian wheat crop was in the hands of middlemen who would have derived all the advantage of advancing quotations. The Government, moreover, was obliged, as a virtual trustee for the Allied Governments, to avoid undue inflation of the market. The Administration therefore suddenly announced that all wheat grading Nos. 1, 2 and 3 Northern, then in the elevators at the head of the Lakes and east of the Lakes, should be held for further orders. This action had the effect of raising the value of all wheat back of the elevators, that is to say, of all wheat still in the hands of Western farmers. The Department of Trade and Commerce had great difficulty in securing adequate transportation facilities, but the wheat was finally taken to its destination by fifty ocean-going steamers.

Following is a statement showing the war orders placed by the Department of Trade and Commerce to date:

For Great Britain—1,000,000 bags of flour	\$ 3,003,005.06
" France—406,916 army blankets	1,690,096.09
" Italy—101,974 army blankets, 605,129 shirts	1,019,886.84
" Italy—11,416,485 bushels wheat approximately	16,000,000.00
" New Zealand—503,224 bushels wheat	1,000,401.30
" South Africa—35,000 bags flour	129,663.50

From the outset of the war the Department has sought to stimulate the production of articles formerly made in enemy countries. At an exhibit at the National Industrial Exhibition in Toronto, Canadian-made toys were contrasted with foreign and British-made toys. A much more extensive exhibit of enemy manufactures has been put on in Montreal and Toronto, with a view to stimulating new manufactures in this country. This display includes about 10,000 samples of Teuton products, of which it is felt that Canadians can produce imitations or substitutes for both the domestic and foreign markets. With this end in view the Department has appointed a Board of Scientific and Industrial Research, modelled on the plan adopted in Great Britain. This Board consists of advisory experts working in accord with the Privy Council. It includes scientific experts and representative business men and manufacturers who recognize the necessity for applying scientific methods and research to the industries of Canada.

Some months ago the Minister of Trade and Commerce issued a call for national organization and co-operation to meet industrial competition after the war. In Great Britain and Allied countries it is believed that in the new

CANADA'S EFFORT IN THE GREAT WAR

world which will come with the return of peace business must be more thoroughly organized, products improved and better methods of marketing adopted. The Minister has urged upon the banking, commercial, industrial, transportation and scientific leaders of the Dominion the necessity of giving post-war conditions their most careful consideration and of taking joint action to make their deliberations and conclusions effective.

Early in the war the Department prepared a publication giving minute details of enemy country exports to Canada and other countries. This book was widely circulated for the information of Canadian manufacturers and business men. A representative of the Department has visited a number of foreign countries to secure special information regarding openings for the Canadian lumber trade in those countries. Trade agents have been sent to different parts of Russia, to promote Canadian trade with a nation which is certain to make great commercial strides when peace is restored.

Department of the Interior

The Government has taken measures to protect the land titles of Canadian soldiers. This service has been performed by the Department of the Interior. Settlers who join the Overseas forces do not forfeit their homestead entries. The benefits of this provision have been extended to all Canadian settlers in the armies of Great Britain and her Allies who may be unable to resume occupation of their properties or complete their homestead duties. That is to say, no Canadian settler in any of the Ally armies will lose his farm by reason of absence through military service, wounds or illness, and in case of death his heirs are entitled to the same relief. This relief may be from further cultivation or from residence, or both, as may appear fair and reasonable. Total disability or death on active service procures the issue of the patent forthwith regardless of residence or homestead duties. In case of death, the patent goes to the heirs of the deceased. Men who take up land after enlistment are protected against cancellation. In like manner, holders of Canadian mining rights who are engaged in military service with the British or Allied forces are guaranteed against loss of their rights for the duration of the war and six months thereafter.

The war brought fresh duties to the Immigration Branch of the Department of the Interior. For one thing, this branch of the service assumed the task of excluding alien enemies suspected of malicious designs. The work is of such a character that secrecy is necessarily maintained. The public may, however, be certain that vigilant immigration officials have frustrated the operations of many enemies who sought to endanger the country. These officials have caused the internment of a considerable number of such people. Many enemies desirous of leaving Canada were refused the necessary permission. Up to the close of 1916 the Department issued Letters of Identification for entry into the United Kingdom; 7,000 of such letters were issued, each one involving laborious investigation to prevent undesirables gaining access to the British Isles. At ocean ports, ships' crews have been scrutinized and subjects of enemy countries removed.

CANADA'S EFFORT IN THE GREAT WAR

The Prime Minister's Office

The duties of the First Minister, always onerous, have been enormously increased by the war. In the first place, the primary responsibility for the administration of public affairs and the determination of public policy rests upon his shoulders. As President of the Council or Chairman of the Cabinet, he must have full knowledge and complete understanding of every important matter which from time to time engages the attention of the Administration, and he must keep in touch with many of the administrative details of the several Departments. Practically every action of the Government requires an Order-in-Council. Thousands of these documents, many of them involving issues of the greatest magnitude, have had to be discussed, prepared, revised and finally adopted.

As Cabinet Secretary of State for External Affairs, the Prime Minister has handled all communications with the Imperial and other external authorities. This Department received the cable notifying the Dominion of the outbreak of war. It has had to deal with the calling out of British naval and army reservists in Canada, with procuring Canadian machinists and engineers for armament work in England, with notifications of war with Austria, Turkey and Bulgaria, with war risks, war insurance, and with the whole business of Passports, which has called for a special staff. The Department of External Affairs has taken measures in behalf of British subjects stranded in Europe and especially in behalf of Canadians stranded in Germany and of Canadians owning property in Germany.

The Prime Minister's Office has received and responded to all communications from the British Colonial Office, the War Office, the Admiralty and other branches of the Imperial Government, and it has carried on nearly all the correspondence with the Canadian High Commissioner's Office in London. Cablegrams between the Prime Minister and the Acting High Commissioner in London average a hundred per month and vary in length from five to six hundred words and upwards. Prior to the war such communications were far from numerous. Letter correspondence with the High Commissioner's Office has increased proportionately. In one year, nearly 4,200 cablegrams and despatches passed between the Canadian and Imperial Governments in regard to the war; this was almost twice the number of despatches sent in 1912. Correspondence with Washington has likewise almost doubled.

The maintenance of the commercial and industrial strength of this country is the measure of our power to carry to the end our full share in the war. From the outbreak of hostilities the Prime Minister has kept this basic truth always in view labouring consistently and with great vigour to buttress the country's financial position. At every stage of the war he has used his great personal prestige and his immense influence as official head of the nation to press Canada's claims as a source of supplies for the British and Allied Governments. He has striven unceasingly to secure for Canadian producers, those of the factory as well as of the field, their due share of such orders for munitions, military stores and war supplies as Great Britain might find it necessary or advisable to place outside the United Kingdom. Hundreds of letters and cables, having reference exclusively to these

CANADA'S EFFORT IN THE GREAT WAR

matters, have passed through the office of the Prime Minister alone. Throughout this extensive correspondence, and whether through the medium of the Colonial Secretary or through the acting Canadian High Commissioner in London, he has strongly impressed upon the War Office and the Admiralty that Canada's products are as varied, as suitable and as excellent as the claims of her producers for consideration are just. He has insisted that these claims should be regarded as paramount when compared with those of any neutral people.

The Prime Minister, while in England during the summer of 1915, continued to impress upon the British Government and upon officials of its various purchasing departments, that Canadian industries were capable of filling many war wants. He did not hesitate to speak of the sacrifices which Canada had made in the common cause. Canada had given freely and would give to the extent necessary in men and money. Its industries had suffered seriously. Its claims were plain. The War Office and Admiralty admitted these contentions and engaged to do everything in their power to relieve the business conditions then prevailing in Canada as the result of the war. They assured the Prime Minister that the claims of Canadian industries would receive the most sympathetic consideration and that prompt action would result. They pointed out that already very large orders had been placed in Canada but that others would follow. Up to this period (the summer of 1915) the orders placed in Canada by the British War authorities aggregated about \$225,000,000, of which amount about \$175,000,000 was for munitions and the remainder for general supplies.

In all the negotiations with the British Government the Dominion had the advantage of the invaluable services of the Acting High Commissioner in London, whose status as a member of the Canadian Government and whose knowledge of Canadian conditions enabled him always to speak with an authority that could not be gainsaid. He attended the Prime Minister before the Commission Internationale de Ravitaillement, containing representatives of all the Allies, for the purpose of directing the attention of the Allied Governments to the resources of Canada, which to some of the delegates were comparatively unknown. It was made plain that this country was capable of producing and delivering many articles then being purchased in the United States, and that at least an opportunity of competition was due to the Dominion. It was pointed out that Canada would have about 175,000,000 bushels of wheat for export from the crop of 1915 and that she could furnish cloth, blankets, boots, saddlery and many other specified articles in large quantities. Lists of these were supplied. The consideration of the various representatives was requested. The response was cordial as subsequent purchases show.

Sir Robert Borden never slackened his efforts until the British and French Governments undertook the purchase of horses in this country. He interfered to have these horses shipped by Canadian instead of American ports. Early in the war he made representations in London until, in face of the war-time shortage of tonnage, the Admiralty assigned to the Canadian North

CANADA'S EFFORT IN THE GREAT WAR

Atlantic route the extensive mercantile fleet which ever since has conveyed our immense and growing exports to overseas purchasers and markets.

During his visit to Europe in 1915 the Prime Minister held conferences with the Imperial authorities as to closer co-operation in the prosecution of the war, investigated the state of British preparedness and made first-hand enquiries as to the probable duration of the conflict. He took time to visit the Canadian lines at the front, and, while in France, was made a member of the Legion of Honour. In Belgium a similar mark of international respect and esteem was conferred upon him.

In February, '1917, Parliament adjourned for two months so that the Prime Minister could attend the Imperial War Conference called in London by Mr. Lloyd George. As Canadian First Minister, he with three of his colleagues consulted for several weeks with Ministers from other parts of the Empire regarding the most effective means of prosecuting the war to a successful finish and regarding the terms of the triumphant peace which it is hoped to impose upon the Central Powers. Sir Robert Borden constantly attended meetings of the Imperial War Cabinet, thus obtaining for Canada a voice in those policies for which Canadians are making unprecedented sacrifices. On this visit, as in 1915, the Prime Minister sought in every way to promote the claims and interests of Canada at the heart of the Empire.

A Herculean Task

The general public has little idea of the herculean task with which the Government has successfully grappled in the last two and a quarter years. Every day has brought fresh revelations as to the dimensions and as to the many-sided and far-reaching character of the struggle in which we are engaged. Only a proportion of the manifold problems emerging from day to day can be brought to the attention of the press and the people. The Cabinet has had to deal with many situations arising out of the war which cannot be discussed in the open without injury to the nation and the cause of the Allies. The Canadian people have consecrated themselves to a noble and tremendous task. The Government has striven not to be unworthy of the national devotion and self-sacrifice. For months some Departmental offices have never closed their doors but have been operated continuously with two or three shifts for twenty-four hours a day.

ECONOMIC EFFECTS OF THE WAR

Financial Chaos Averted When in August, 1914, half the world sprang to arms, there were grave misgivings, as to how this young country would stand the shock and the strain. The hope was, that if the conflict proved short, the Dominion would weather the storm, shorn of much of its wealth. In a few years, British capital had loaned us between two and three billion dollars for the construction of railways, for public works and for municipal undertakings. This great fertilizing stream of money was suddenly cut off. The world's stock markets had to close down and the highly complicated system of world finance and credit ceased to operate. The situation was aggravated by the partial failure of the wheat crop in 1914 in the Western Provinces and by the fact that all over the Dominion people were experiencing the collapse of a long orgy of stock gambling and real estate exploitation. There was much unemployment in large centres of population.

The disturbance of credit which came with the war caused a universal demand for gold at all great centres, and specie payments were discontinued on the continent of Europe. The Canadian banks were at normal strength, but the danger was that under pressure of international conditions they would restrict commercial credits. They might also experience difficulty in meeting abnormal demands upon them for gold or legal tender. Such a condition could only result in grave and perhaps lasting injury to all the great interests of the Dominion. There was imperative need for protecting the Canadian gold supply against foreign demands. In this crisis the Government took action with a view to increasing the liquid resources of the banks, so that they might maintain the volume of credits available to their customers. The Finance Department secured authority to issue Dominion notes to the banks against the pledge of approved securities and the banks themselves were authorized to make payment in bank notes or Dominion notes instead of gold. Bank notes thus became legal tender.

These steps were taken by Order-in-Council early in August, and they were ratified by Parliament two weeks later. As a result of these wise and prudent measures, no disturbance in currency conditions occurred in Canada upon or after the outbreak of the war; nor has there since been any hindrance or check to the flow of business from a lack of currency; nor has there been any suggestion of gold going to a premium. During a period of world-wide financial panic our banks were enabled to meet the treasury bills of governments, municipalities, and corporations maturing in London, to make advances to governments, municipalities, corporations and other customers and to finance the crop movement. The Finance Department also took authority to enlarge the issue of Dominion notes unprotected by gold holdings. An act of Parliament, passed on August 22nd, provided \$15,000,000 additional currency within the first two or three months after the war began. The experience of over two years under unusually trying financial conditions has shown this action to have been amply justified.

Never before were the courage and capacity of those responsible for Canada's finances put to so severe a test. The manner in which the

CANADA'S EFFORT IN THE GREAT WAR

Dominion stood the stress astonished the world. Even at the outset we suffered little economic discomfort, aside from industrial communities where war-time conditions for a while paralyzed some classes of manufactures. Except in towns and villages with few if any factories and in townships where agriculture is the only pursuit, no untoward effects whatever developed. On the contrary, the resourcefulness of the people turned to good advantage every opportunity of strengthening the country's position. There were few commercial failures and, at the worst, a small and temporary contraction in the volume of business.

Our Credit Maintained

By the middle of February, 1915, when the Finance Minister disclosed his first War Budget, it began to be realized that the Commonwealth had travelled a great distance toward the recovery of its old commercial and financial confidence. Already the slackening of trade in some directions had been appreciably offset by war orders. Besides stimulating native industries and relieving the hardships of the unemployed, these contracts were exerting a favourable influence upon international exchange. The tendency of large exports of war materials was to maintain the national gold supply at a proper level. It was seen that increased agricultural production and good prices for foodstuffs would contribute enormously to the stability of Canadian credit. Three Provincial Governments and several municipalities had already succeeded in placing considerable loans in New York, and there was evidence that that market would be open to us for further credits.

Patriotic Farmers

In the early spring of 1915, the Federal Minister of Agriculture issued the first Agricultural War Book, which constituted a direct appeal to the farmers of Canada—an element of the population which has never been lacking in either national or Imperial sentiment. It was pointed out in this publication that a great many of the 20,000,000 men mobilized in Europe had been withdrawn from the land in neutral as in belligerent countries. Not only had these men ceased to be producers,—they had in a large measure become destroyers of food. The result would be a shortage of several hundred millions of bushels in the year's field crops and a tremendous reduction in meat and dairy production. The demand for foodstuffs would be extremely great. Prices for grain and livestock would rule high, and in putting forth extraordinary efforts to help meet the shortage, Canadian farmers would greatly increase their own incomes.

More important still, from a higher viewpoint, by rising to the emergency, Canadian agriculturists would uphold the hands of the British people, who, for generations, by their own exertions, almost unaided, had maintained the Imperial Navy as the chief guarantee and defender of our freedom and security. Profound material and supreme ethical considerations demanded that the farmers should expand their production. The response to that appeal and to further widespread appeals that were made through the press and on the platform was such that, with specially favourable weather conditions, Canadian farm returns reached truly enormous proportions and yielded hundreds of millions of dollars of additional revenue.

CANADA'S EFFORT IN THE GREAT WAR

Financial Improvement

By June, 1915, many encouraging factors had appeared in the Canadian business situation. The early fears that insuperable difficulty would be experienced in national financing had not been realized. Satisfactory arrangements had been made with the London authorities, while the tariff changes and special war taxes were keeping the Government's revenues well up to and even beyond expectations. That Canadian credit was unimpaired had been proved by the successful sale within the previous six months of \$130,000,000 of Provincial, municipal and other bonds. Of this aggregate \$19,000,000 had been placed in Canada, over \$85,000,000 in the United States and \$25,000,000 in the United Kingdom. The fact that the United States had absorbed the bulk of these securities showed that our financial standing was highly regarded by a people who, because of their proximity and like conditions in their own country, were able to place a sound estimate upon our material future.

In a report to his own Government, the United States Consul in Toronto indicated a continued tendency on the part of American capitalists to establish new industries or branches of American industries on this side of the line. So well did they think of the Canadian market for manufactured goods. Largely because of existing war prices the comparatively small Canadian crop of 1914 had brought the farmers an unexpectedly good return in cash. The agricultural population, excepting for dwellers in drought stricken districts in the West, was probably more prosperous than ever before. Outside of a few large centres, there was little unemployment.

Despite the destruction of capital in the war, money was accumulating rapidly in Canadian, American and British banks. Canadian bank deposits had climbed to a new high record. The increase in the savings of the people was especially marked. By reason of general economy the process of accumulation was now well under way. In a single year a heavily unfavourable trade balance had been changed into a favorable trade balance of \$6,071,000. Instead of importing vastly more than we exported, we were exporting a few millions more than we imported. This was of course due in a large measure to war conditions and restrictions, but the Dominion had revealed a remarkable capacity for adjusting itself to a new and searching crisis. Already it began to be said that, "Canada will emerge, after the war, a strong young nation, having had some excellent experience, being better able to pay its way and worthy of high confidence."

Financial Measures

It need hardly be stated that the economic and financial difficulties of the period called for the widest knowledge and experience of the banking and financial world. The Finance Minister was used to extensive transactions and familiar with the machinery of the world's markets for year's before he joined the Government. The effective measures adopted on the outbreak of the war to stabilize the country's credit machinery have already been described. Having a comprehensive grasp of international affairs, the Minister was able to read the probable trend of money conditions from time to time and to forestall difficult crises by effective action in London and New York. In the summer of 1915, he told the press that the Allies could not continue to make heavy purchases

CANADA'S EFFORT IN THE GREAT WAR

in the United States and Canada, unless they borrowed on this side of the Atlantic the funds with which to pay. Many weeks later, the London Times expressed the same truth in slightly different words. As was thus foreseen, the lack of credits on this side of the ocean and the piling up of an unfavourable trade balance against the Allies so demoralized the exchange market, that in the autumn of 1915, a group of British and French financiers sailed for New York to arrange a loan on other basis of credit. The Canadian Finance Minister had placed a considerable loan in the American market some weeks before the European delegation arrived.

Measures which the Government introduced in February, 1915, to stimulate a falling revenue had abundantly fulfilled their purpose. The special war taxation and increases in the Customs rates had arrested the decline in the national income and restored that income to a normal level. A saving of millions of dollars was effected in ordinary controllable expenditure. The Treasury was protected against appropriations that could not be regarded as expedient in war-time. Promoters, contractors, log-rollers, municipalities and Provinces sought financial aid for all sorts of projects and undertakings, which in ordinary times might reasonably ask for governmental assistance. To one and all, the answer was: "The War is our first business. We cannot bear its burden and increase our ordinary expenditure. Every necessary work must wait, and others will not be prosecuted at all. We must preserve the credit of the Dominion and keep our finances on a strong basis." This policy has more than justified itself. It has left the Treasury with ample funds for raising, training, equipping and paying the troops. It will strengthen our position at the end of the war, when, in order to bridge a period of industrial dislocation and readjustment, it may be expedient to promote necessary and useful public works on a large scale.

Another crisis was met in an effective manner by amendments to the Bank Act, enabling the chartered banks to lend the farmers money on the security of grain stored in their own granaries and by the Treasury's action in the autumn of 1915 in offering to advance Government funds for this purpose. Because of this recourse, the Western farmer, who held his wheat, did not have to remain out of his year's income all winter.

Early War Financing

For the first year of the war, in order to protect the country's gold supply and stabilize economic conditions, the Finance Minister pursued the policy of borrowing the money for war expenditures outside the country—first in London and then in New York. This course was followed until general economy, increased production and exports at high prices converted an unfavourable trade balance into a favourable trade balance. The effect upon the country's financial position was excellent. The national gold reserves remained intact. There was no sign of depreciation in the currency. The Dominion was growing richer in spite of the war. We were exporting far more than we were importing and the prospect was that we should be able to finance much of our war expenditures at home. If the people as a whole continued to economize, if they continued to produce on an increased scale, there was scarcely any limit to what could be achieved.

CANADA'S EFFORT IN THE GREAT WAR

This was what the Minister of Finance told the country at this time. Even the cost of the war was not to be considered appalling in face of the greater agricultural and industrial production of which Canada had shown itself capable. So far had the nation recovered that the time had come for the flotation of a domestic war issue. A Canadian war loan of \$50,000,000 was accordingly brought out toward the end of 1915. The subscriptions received aggregated \$110,000,000, of which the Treasury accepted \$100,000,000.

Munitions of War

By November, 1915, the Munitions industry had become the most important in Canada, embracing 320 firms and giving employment to between 150,000 and 200,000 workmen. A series of new subsidiary industries had been developed, industries that are likely to become permanent and a source of profit and income, even after the return of peace. The natural resources of the country had thus been tapped in a new and effective manner. Copper heretofore exported as matte was now to be refined at home. Canadian zinc ores which contain about equal quantities of lead and zinc had always been shipped from Canada in the raw state. Owing to the demand created by War Orders, the electric refining of zinc was now being developed in Canada on a commercial scale and several derivative industries had resulted. The production of lead was being greatly expanded. Later arrangements were made for the establishment of nickel refineries in Ontario to take care of a large proportion of the output from the Sudbury mines. A great impetus was likewise given to the manufacture of explosives. Nitro-cellulose powder, trinitrotoluol and cordite were now being produced on a considerable scale and at moderate prices. Canadian competition had resulted in keeping down the prices of these commodities and had enabled the Government to effect considerable economies.

The United States was able to secure large war orders from the Allies, because it had surplus capital from which to lend them hundreds of millions of dollars to finance these orders. Americans furnished the money for the Ally purchases in the neighboring Republic. Canada, still in the development stage and still a borrowing instead of a lending country, was not in a position to finance the Allies in making large war purchases here. Not until late in 1915 did a favourable balance of trade make it possible to raise a portion of our own war expenditure in Canada. In spite, however, of our lack in loaning power, Great Britain placed with us very large orders for shells, for which she had paid by shipping gold to Ottawa or selling sterling exchange at an expensive discount. Other orders of huge extent were obtained from the Allied Governments.

Getting War Orders

The wonder was, not that Canada had not obtained more orders, but that, without being able to finance them, she had obtained so many under the most trying credit and exchange conditions. Day in and day out, from the commencement of the war, the Government had put forth every effort to bring business to this country. The limited cash resources at its disposal had been used to the utmost in temporarily financing orders. Now that a big crop was being got to market, that exports continued to exceed imports, and that the national

CANADA'S EFFORT IN THE GREAT WAR

revenues increased, it might be possible to go further in accommodating Allies who could be got to place orders here.

In December, 1915, it was announced that an adverse trade balance of \$300,000,000 had been changed into a favourable trade balance of probably \$200,000,000 for the current year; that the Government had, therefore, been able to finance British war purchases in Canada to the extent of \$60,000,000, and that it was setting aside \$50,000,000 of the domestic war loan for the same purpose. It was, moreover, indicated that by the co-operation of the banks, further war credits were being arranged for the Imperial Government. It was pointed out that by this course Canada would get an excellent investment. It would build up for itself a reserve of capital which would be of the greatest value after the war, and meanwhile the money would be spent in this country. It was added that the power to carry out this plan depended on the Canadian people themselves. The surplus of income over expenditure would not be increased, would not even be maintained, unless Canada continued to produce on the largest possible scale and unless Canadians as a whole practiced economy and eschewed all forms of expenditure not either immediately productive or directed to the war.

The Imperial Munitions Board

The proportions of the business conducted by the Imperial Munitions Board may be judged from the fact that by February, 1916, it employed a head office staff of 150 (now 700) and 2,300 (now 4,000) factory, machine shop and testing inspectors. The manufacture of munitions then engaged 454 (now 630) firms in the production of shell parts and explosives and in their assembling and loading. The plants were scattered from Halifax to Victoria, and unless the Board kept them all working in accord under a comprehensive plan there would be confusion and waste. The task of supervision was a heavy one. Further light was thrown on the huge extent of the undertaking by the statements that on the date named, the industry employed upwards of 200,000 operatives and involved a weekly expenditure of \$5,000,000.

At first the Canadian Government had experienced difficulty in getting manufacturers to embark in the shell business, but under persistent pressure they responded. The Imperial Government had co-operated heartily in giving this country a preference, and in this way there was erected an industry, which, together with the crops, delivered the Dominion from the war-time depression which at first accompanied the stoppage of world credits. The employment of 200,000 to 225,000 workers in the production of shells meant that the industry was supporting probably a million people.

Not until the middle of 1915 was it realized that the war could not be won without an enormous increase in the output of shells. In great measure Canada has risen to the occasion. The tonnage of shells now produced is, roughly speaking, equivalent to the whole tonnage of steel produced for all purposes before the war. One month's output of shells now exceeds the total production of munitions for the first ten months of 1915. The daily output is valued at \$1,500,000. Up to March, 1917, the Imperial Munitions Board had spent \$550,000,000 for munitions and placed orders for \$850,000,000

CANADA'S EFFORT IN THE GREAT WAR

worth of munitions in this country. Since that date these expenditures have been greatly augmented by a continuous acceleration in the production of various types of munitions in Canada. Prices were necessarily high at the outset, but it is nevertheless an indisputable fact that in nearly all cases Canadian figures have been lower than simultaneous American figures, and in some cases they are lower than British prices. Thus far, the Canadian Government and the Canadian banks have financed Allied contracts by current advances of \$275,000,000.

The Shell Inquiry

Prior to the appointment of the Imperial Munitions Board the purchase of munitions in this country was entrusted to a body known as the Shell Committee. The operations of this Committee were under Imperial direction and it expended only Imperial funds; its responsibility was solely to the Imperial authorities. Statements were nevertheless made in Parliament, apparently with the intention of involving the then Minister of Militia in alleged improper actions on the part of the Committee. The Prime Minister responded by appointing a Royal Commission to conduct an investigation. After an enquiry extending over several weeks, the Commission brought down a report exonerating both the Minister of Militia and the Shell Committee itself. The net result of the whole finding was to convict a broker of having secured a commission upon a British contract in the United States. Much larger commissions are understood to have been paid upon most of the war orders placed directly with American factories by the Imperial Government.

Munitions Resources Commission

The Munitions Resources Commission, with Colonel Thomas Cantley as Chairman, has contributed greatly towards the pronounced success of the Munitions business in this country. It has had the supply of raw materials for the manufacture of munitions constantly under review and its activities have, therefore, proved substantially useful to the Canadian public as well as to the cause of the Allies. For one thing, it took early steps to furnish the industry with the necessary quantity of tool steel or high speed steel. After circularizing the domestic munition makers, the Commission made arrangements with the British Ministry of Munitions for an adequate supply of this essential material. The commission is also promoting the production of tool steel within the Dominion.

An embargo was secured on the export of certain kinds of scrap iron and steel to the American market. The commission has encouraged and promoted the domestic production of refined copper, zinc, lead, antimony, magnesite and other materials of great value in this industry. The Commission has conducted many enquiries and reported upon various sources and means of production. It has assisted manufacturers in the solution of technical and scientific difficulties which have naturally arisen in connection with the new industries. The Government has taken no wiser step than the appointment of this body of experts, the members of which deserve the thanks of the country for the important work they have performed.

Other War Orders

Great Britain and her Allies have ordered in Canada, and to a large extent have already received, important war supplies, including horses, accoutrements, food and forage. France has

CANADA'S EFFORT IN THE GREAT WAR

bought extensively in the Dominion, and Italy and Russia on a large scale. Altogether the specific war contracts placed in Canada since August 4, 1914, by the British and Allied governments must exceed \$1,200,000,000. This does not take into consideration the large quantities of war supplies purchased by the Canadian Government or the increase in exports of many commodities indirectly caused by the war. Exports for the fiscal year ending March 31, 1917 are treble the size of those for the fiscal year ending March 31, 1915. For thirty-two months of the war, Canada's exports have reached the grand total of \$2,000,000,000. This tremendous business has not come to us without hard work on the part of Ministers and agents selected by them. But for this huge and profitable trade Canada's prosperity and Canada's capacity for effective participation in the war could not have been maintained.

British Orders

British war orders, exclusive of munitions, executed in this country, probably exceed 125 or 150 million dollars. An idea of the purchases and of their value to the country may be gained from a partial statement to be found in

an Appendix.

Ally Orders

The war orders of France executed in Canada approximate to \$50,000,000. They have been principally for horses, army blankets, saddlery, artillery harness and whips. Early in the war the French Government appointed the Hudson's Bay Company its purchasing agent in this country. Gun carriages and limbers and railway cars have been supplied direct to the French Government and railway cars to the Belgian Government by the National Steel Car Company. Russia has ordered saddlery, shells, etc., to an estimated value of \$10,000,000. Russia has bought locomotives direct from the Canadian Locomotive Co., and railway cars from the Eastern Car Company. Italy has purchased principally knit goods and wheat. Her direct buyings have been a little over \$1,000,000.

As more fully recorded elsewhere the Department of Trade and Commerce placed orders for over \$22,000,000 worth of Canadian products for the British, French, Italian, New Zealand and South African Governments. The Department of Agriculture has bought flour, oats and hay for the British War Office to a total value of \$70,000,000, and these purchases still continue.

War Purchasing Commission

All war purchases for the Canadian Service must be made through the War Purchasing Commission. Since its creation in May, 1915, this body has made contracts or purchases approximating to a total value of \$80,000,000. This estimate does not include the enormous business involved in the provision of food supplies, medical supplies and fuel for military camps and winter barracks throughout Canada. Nor does it include expenditures for transportation by land and sea. The Commission consists of Sir Edward Kemp, Chairman, of Toronto, Mr. G. F. Galt, of Winnipeg, and M. Hormisdas Laporte, of Montreal. Its appointment was upon the recommendation of the Prime Minister, who directed attention to the new war appropriation of \$100,000,000 to be expended under the authority of the Governor-in-Council. He submitted that it would be in the

CANADA'S EFFORT IN THE GREAT WAR

public interest to create a commission composed of persons experienced in the conduct of business affairs, who, under the authority of and responsible to the Governor-in-Council, should control contracts in connection with war expenditures and perform certain other specified functions.

All purchases of clothing, equipment, arms, munitions and materials of war and supplies of every kind, and all contracts for such purposes, and all contracts for transportation, to be met out of the funds appropriated by the War Appropriation Act, 1915, or out of the funds appropriated by any other Act for the purposes enumerated in the War Appropriation Act, 1915, must be made by the Commission or made under its direction and control. The Commission is empowered on behalf of the Government to make such purchases and to enter into or direct and control the making of such contracts. The Commission, on behalf of the Government enters into and directs all purchases of supplies and munitions of war which the Government may undertake for the British or any Allied Government, excepting such purchases as fall within the scope of the functions of the Imperial Munitions Board.

Before the making of any contract such as mentioned, either general or special authority must have been given by Order-in-Council on the recommendation of the Prime Minister, based upon a report, concurred in by the commission or the Department concerned; and in all cases there must be a requisition. **All purchases are made and contracts awarded upon the tender system.** The tenders are opened only in the presence of an official or representative of the Commission, and the lowest tenderer is entitled to the contract. Only in cases of urgency due to military considerations of the moment, or for other good and sufficient reason, may purchases be made or contracts awarded in any other manner, and in any such cases the grounds of the departure must be clearly recorded. These cases are so rare as to be almost negligible. The various Departments are charged with the duty of seeing that contracts affecting these Departments are duly performed.

All Departments concerned are required to co-operate with the Commission and to give it all necessary information, and access to documents. It reports to the Prime Minister from time to time.

For the safe and economical transaction of so huge and many-sided a business embracing an endless variety of articles and commodities, a remarkable organization has had to be created. The checking and fying system employed is one of the most complete to be found anywhere. Every considerable transaction calls for a Government Order-in-Council and the detail involved is so manifold as to amaze the ordinary business man. As to the fairness of the enormous allotments thus made scarcely one specific or definite complaint has been raised. The people of Canada everywhere are invited to enquire and search for themselves,—everyone in his own neighbourhood,—with a view to ascertaining if any other than worthy motives have prevailed in the vast distribution of contracts and purchases thus indicated.

CANADA'S EFFORT IN THE GREAT WAR

War Office Purchasing Agency The British War Office Purchasing Agency established at Montreal under the direction of Lord Shaughnessy, President of the Canadian Pacific Railway, has purchased upwards of \$26,000,000 worth of Canadian supplies for the British and Allied Governments. Care has been taken to see that every cent of this vast sum has been spent in Canada for the benefit of Canadian industries, some of which industries have thereby been greatly expanded. The sale of Canadian "pork-and-beans" may be instanced. The Commission has convinced the War Office of the food value and excellence of this Canadian product. The Agency has purchased not only for the British War Office but, through that Office, for the South African Government, the British Indian Government, and the Russian Government.

Canadian Fish for Europe The Militia Department has opened up an important market for Canadian fish in Europe. It began by experimenting with a small quantity. In the spring of 1916 it was found that smoked and frozen fish could be delivered in satisfactory condition to the Canadian troops in England. Large shipments have been made regularly ever since to the Canadian Expeditionary Force. As our fish became a favourite article of diet with the Canadian soldiers, a contract was secured from the British Government. The War Office has placed an order with the Canadian War Purchasing Commission for 1,500,000 lbs. of frozen fish. Other orders are expected from the French and Italian Governments.

Transportation Facilities Production would have been useless without transportation facilities and the Atlantic steamship service was badly disorganized through the requisitioning of ships by the Admiralty. To fill the gigantic war contracts obtained in Europe it was necessary to organize an ocean transport service which would operate without interruption from the demands of ordinary commercial traffic. Such facilities were secured by the Canadian Government through pressure brought to bear by the Prime Minister and the acting Canadian High Commissioner upon the Admiralty and the War Office. No fewer than a hundred ocean steamers under a Canadian Director of overseas transports are engaged in the movement from Canada to Great Britain of war munitions and supplies aggregating over 3,000,000 tons per annum. The volume of traffic constantly increases. Nor have the ordinary needs of commerce been overlooked. Altogether, in face of a world-wide scarcity of bottoms, the country's export trade has been more than trebled. This happy result has not been attained without continuous and persistent effort.

Saving Two Railways When the war began, two transcontinental railways,—the Grand Trunk Pacific and the Canadian Northern,—were nearing completion. Parliament, at the session shortly preceding the war, had authorized the guarantee by the Dominion of Grand Trunk securities to an amount not exceeding \$16,000,000 and of Canadian Northern securities to an amount not exceeding \$45,000,000 in order that, with the proceeds, the roads might be finished. The declaration of war prevented the sale of these railway securities. To have left the two great undertakings in an incomplete state would have rendered unproductive a

CANADA'S EFFORT IN THE GREAT WAR

large part of the money already invested. The companies would have had to cease construction, disband their organizations, dismiss 12,000 men, ruin contractors, cut off orders to supply-men, and impair the Government's security through accumulation of interest and postponement of the repayment period. The Government, therefore, under the authority of Orders-in-Council, made advances of Dominion notes to the two railways on the pledge of the guaranteed securities, just as it would make similar advances to a bank on the same securities if a bank had pledged the securities under the Finance Act. To the first named railway \$6,000,000 was advanced and to the latter \$10,000,000. At the session of Parliament, held in the winter of 1915, the action thus taken was approved without a dissenting voice. As a result, both railways were completed and through services over their lines were inaugurated. Thus it was that timely Government aid, safeguarded by the best available security, preserved the country from disastrous liquidation and the collapse of the two great enterprises which otherwise would have ensued. Should the Canadian Northern Railway pass the crisis and become a paying institution as now seems not improbable, a tremendous direct asset will accrue to the people of Canada. By way of compensation for the advances to the company, the Government owns \$40,000,000 of the stock or 40 per cent of its entire capital.

War Taxation

At the session of Parliament which closed in April, 1915, "The Special War Revenue Act, 1915." was passed and "The Customs Tariff Act" so amended as to provide for an increase of seven and one-half per cent in the general tariff and five per cent in the British preferential tariff on the chief articles of import, dutiable and free.

"The Special War Revenue Act" introduced a variety of special taxes. A tax on bank note circulation has yielded more than two million dollars. Taxes imposed upon trust and loan companies have produced a sum substantially in excess of half a million dollars. Taxes were placed on insurance companies other than life and marine and from these nearly \$800,000 has been collected. By the same Act taxes were levied upon railway and steamship tickets, and cable and telegraph messages. Stamp duties were imposed on cheques and certain other instruments, as well as on money orders, and on proprietary medicines and perfumery. An additional one cent postage charge on all letters and postcards was instituted. To the end of February, 1917, the seven and one-half per cent increase in the general customs tariff yielded \$53,035,832 and the five per cent increase in the duties on British goods \$8,122,775.

Business Profits Tax

At the session which closed in May, 1916, Parliament adopted "the Business Profits War Tax Act, 1916." This measure imposes a levy of twenty-five per cent of the amount by which the profits earned in any business exceed, in the case of a business owned by an incorporated company, the rate of seven per cent per annum, and in the case of a business owned by a private individual, the rate of ten per cent per annum upon the capital actually employed in such business. When the capital employed in the business is less than \$50,000 the special tax does not apply, unless the business be one of manufacturing

CANADA'S EFFORT IN THE GREAT WAR

or dealing in munitions of war. The act will remain in force for three years.

For the fiscal year 1916-17 this tax yielded about \$13,000,000. In April 1917 the Finance Minister announced that in addition to the existing levy he would take 50 per cent. of all business war profits between 15 and 20 per cent. on capital and 75 per cent. of all such profits over 20 per cent. on capital for one accounting year.

War Votes A special war appropriation of \$50,000,000 was voted at the special Parliamentary Session of 1914, a second of \$100,000,000 at the Session of 1915, a third of \$250,000,000 at the Session of 1916, and a fourth of \$500,000,000 in February, 1917. The Canadian Government borrowed from the Imperial Government most of the money spent on the war during the first months of the conflict. These temporary borrowings aggregated about \$175,000,000. For two years the Dominion Finance Department has borrowed from the Imperial Treasury only an amount representing Canada's expenditures in Great Britain and at the front.

A Refunding Plan Under a new arrangement, this country will pay off from time to time its temporary indebtedness to the British Government by the issue to the Imperial Treasury of Dominion bonds bearing the same rate of interest and having the same maturities as the issues of the Imperial Government from the proceeds of which the advances have been made. In calculating the amount of these bonds regard will be had to the issue price of the Imperial securities. In a word, the Dominion Government will, without any flotation expenses, fund its temporary indebtedness by the sale of its bonds to the Imperial Treasury, and these bonds will bear interest at the favourable rate at which the Imperial Government has been able to borrow in the London market since the outbreak of the war. The Dominion Government bonds will be payable in dollars and all necessary adjustments of exchange will be made. On the whole, the exchange has been favourable to the Dominion.

The first transactions extinguish all temporary advances made to September 30th, 1915, these aggregating about \$107,000,000. This sum is met by the issue to the British Treasury of 3½% and 4½% dollar bonds maturing in 1928 and 1945. Subsequent transactions will clear up existing and any future balances or advances. These Dominion Bonds will not be sold, but will furnish the basis of Imperial banking credits in the United States and Canada, from which payments will be made on this side of the Atlantic. The arrangement is thus a convenience to the British Government in the financing of its purchases of munitions and supplies for which dollar credits are necessary. The plan embodies the proposal made by the Minister of Finance to Lord Reading and the representatives of the British Treasury when they were in New York, late in 1915, arranging the \$500,000,000 Anglo-French loan.

A Financial Revolution

Nearly three years of war have had the unexpected effect of demonstrating Canada's financial resourcefulness and of establishing Canadian credit upon a firmer basis. For years before the outbreak of hostilities we had financed a great national

CANADA'S EFFORT IN THE GREAT WAR

development largely with the aid of annual borrowings of about \$300,000,000 in the British market. When the war stopped that seemingly inexhaustible source of supply, Canadian financiers regarded the outlook as very serious. How should we go on now that our chief monetary prop had suddenly been knocked from under us? How should we carry on the business of the country, complete unfinished public works, and find means of financing huge and growing war expenditures?

The outlook was far from reassuring and grave apprehension was felt in responsible quarters. The conflict has proved to our own surprise and satisfaction, and equally to the surprise and satisfaction of friendly countries, that we are far stronger than we or they knew. A great crop sold at war prices has helped us. An expanding export trade in food and munitions has proved unexpectedly profitable. Economy and decreased expenditures for ordinary purposes at home have left us more commodities available for sale abroad. We have produced amazingly and greatly reduced our usual outlays. In the fiscal year ending March, 1913, exports of domestic and foreign produce totalled \$377,068,355 and imports of merchandise \$686,604,413. For the fiscal year ended March 31st, 1915, exports increased to \$461,442,509, while imports fell to \$497,451,902. For the year ending March 31st, 1916, our exports totalled \$779,300,070, as compared with imports of \$530,211,796. For the twelve months closing February 28, 1917, our exports exclusive of gold reached \$1,117,374,693, and our imports \$805,029,622.

The foreign trade reversal embodied in these striking figures is so remarkable as to be almost incredible. At the end of 1913, no sane person would have believed such a transformation possible under any conceivable circumstances. With the aid of a providentially large crop, Canada has "improved the impossible." A country which thought it could not manage without \$300,000,000 a year from the Mother Country, has actually loaned the Imperial Treasury \$275,000,000 to finance war orders on this side of the Atlantic. This achievement must be accepted as marking a new epoch in the financial history of the Empire. To that extent for the time being, the Dominion has been changed from a debtor into a creditor nation.

In the face of the war-time strain, we have developed a new sense of manhood and self-reliance in the presence of foreign nations and amongst those which compose the Empire. So far as American and British financiers are able to pause in the midst of unprecedented world complications, they are astonished at the recuperative powers evinced by this young country, which heretofore had been developed only by means of outside capital. So satisfied are the great United States banks with the Dominion's steadiness and resourcefulness that they have solicited us to go to them for whatever money we want. In a few months we have climbed to a new position in the eyes of the world. As never before, we have demonstrated the capacity of our people and the natural wealth of our country. Such a splendid war-time record means that, on the return of peace, the Dominion will hold a new place in the Empire and in the world. For this tremendous achievement the Prime Minister has, quietly and without ostentation, furnished wise and courageous leadership.

CANADA'S EFFORT IN THE GREAT WAR

Four Canadian Loans

Reference has been made to the Government's borrowing in Canada and the United States. In August, 1915, the Dominion was able to float a loan for \$45,000,000 in New York; \$25,000,000 of this obligation matured on the 1st. August, 1916, and \$20,000,000 will mature on the 1st. August, 1917. The money derived from this loan was used to carry on the construction of public works which had been commenced prior to the war. In December, 1915, a domestic War Loan was issued. Subscriptions for \$50,000,000 were invited; over \$100,000,000 was actually subscribed, and subscriptions for the larger amount were accepted. This was a ten year five per cent loan issued at 97½ with an initial advantage to the investor, owing to the time at which the instalments were paid, of approximately one and a quarter per cent. The loan thus gives a net income to the investor approaching five and a half per cent. Over 25,000 individual subscriptions were received, the bonds being issued in denominations of \$100, \$500, \$1,000 and multiples thereof.

In March, 1916, a further five per cent loan of \$75,000,000 for other than war purposes was made in New York, \$25,000,000 thereof for a five year period, \$25,000,000 for a ten year period, and \$25,000,000 for a fifteen year period. The obligation of \$25,000,000 under the loan of August, 1915, maturing August 1st, 1916, was liquidated out of this later issue. A five per cent war-time loan of \$100,000,000 offered to the Canadian public at 97½ in September, 1916, brought more than 35,000 subscriptions running well over \$200,000,000. A third five per cent domestic war loan of \$150,000,000, offered on March 12th, 1917, was largely over-subscribed within eleven days. The subscriptions aggregated \$267,000,000. The whole loan was a great deal over-subscribed by the public, so that the subscriptions of \$60,000,000 offered by the Canadian banks were not accepted. The issue price was 96. Petty criticism counts little in the face of these potent facts. A more striking public endorsement of strong and competent business management could not well be imagined.

Gold for Ottawa

Shortly after the war began, by arrangement with the Bank of England, the United States and other foreign debtors, British creditors deposited with the Minister of Finance a large sum of gold with which to meet obligations of these creditors then maturing in England. As much as \$104,926,710 was sent to Canada from foreign countries before December 16th, 1914, for this purpose. Later, when the international balances were reversed, and the people of Great Britain, owing to their large purchases of food and war supplies in the United States, became indebted to the United States, there was a movement of gold, under arrangements made by the British Government and the Bank of England, from various parts of the British Empire to the vaults of the Department of Finance at Ottawa.

It was by similar arrangement that Allied countries indebted to Great Britain shipped gold to Ottawa. Up to June, 1916, approximately \$200,000,000 of gold was received on these accounts. From time to time, under the direction of the British Treasury, the Department shipped this gold approximating \$300,000,000 to New York, the last shipments being made in the

CANADA'S EFFORT IN THE GREAT WAR

month of July, 1916. In this way a portion of Great Britain's obligations for food supplies and munitions in the United States has been met.

Thrift and Economy

The new thrift campaign undertaken by the Government is of vital importance to all classes in the Dominion and has met with general approval and co-operation. In brief, the situation is this: Under present war conditions, the Dominion must finance all its war and general expenditure on this continent. Were this all, the problem would not be so staggering, but the Imperial Government is placing war orders in Canada to the value of over \$1,500,000 a day and the continuance of these is conditional upon our ability to furnish the necessary credits. As a result, the Canadian Government is called upon to find in Canada and the United States, approximately \$2,500,000 a day. When we consider that before the war Canada was a heavy borrower in the British market, the tremendous financial obligations upon this country today can be better realized.

For Small Investors

With these conditions in mind and with a view to future requirements the Government has provided machinery by which the people may continue to lend their money to the Federal Treasury on an ever broadening scale. It is offering for sale Dominion five per cent debenture stock maturing October 1st, 1919, with interest from the date of purchase payable by cheque and free of exchange. The new stock will be available for purchase at par at any time and will afford a constant opportunity for investment. The Government will accept this stock from purchasers at Ottawa with accrued interest in payment for any allotment in future Canadian war loans. This easily accessible investment is being widely advertised in the press.

The Government also utilizes the thousands of branch banks and post office savings banks throughout the country in increasing the flow of money to the Dominion Treasury. For this purpose war savings certificates of small denominations are issued. These certificates enable the people with the smallest savings to get five per cent instead of the bank rate of three per cent for their money, and at the same time strengthen the national credit against war-time demands.

Labour and Capital

In this time of trial no section of the Canadian population has revealed a higher patriotism than organized labour. Workmen have freely depleted their ranks to swell the overseas forces. There have been few, indeed no, attempts to take unfair advantage of the labour shortage thus created. The country has been remarkably free of strikes and lockouts. In hundreds of munitions factories the men have worked long hours and seven days a week in order that their comrades at the front might not run short of materials for use against the enemy. So, on the whole, Canadian manufacturers have shown a disposition to treat their employees considerately and to regard the operation of their plants from the national as well as from the selfish standpoint.

CANADA'S EFFORT IN THE GREAT WAR

Relief Work in the West

Nothing is more creditable to Canada than the manner in which the country, at a most trying time, but none the less cheerfully, went to the aid of the drought-stricken settlers of Saskatchewan and Alberta after the harvest failure of 1914. In some cases there had been a succession of failures and large districts were threatened with depopulation. The Administration gave extensive and adequate relief and so prevented a serious exodus to the United States.

The occasion for relief came shortly after war was declared and therefore at a time when credit and cash were not easily obtained. The outbreak of a world-wide military struggle, following a period of acute international depression, made it difficult to raise funds and necessary to husband all possible resources. The easier conditions which later arose through heavy munition orders and high prices for foodstuffs had not yet developed. But this did not deter the Government. The work of relief was undertaken and carried out in a thorough-going and efficient manner. Nor has there ever been any suggestion that the distribution of funds was accomplished with any political end in view. Upwards of \$12,000,000 was distributed without suspicion of favoritism or leakage.

The area and population affected were unprecedentedly large and the times difficult. The Provincial Governments at Regina and Edmonton were quite unable to grapple with the emergency and frankly said so. The Dominion Government then promptly intervened. The relief, begun in the early autumn of 1914, was continued throughout the winter. About \$4,500,000 was spent in supplying fodder throughout the stricken districts of both Provinces and in furnishing provisions to a multitude of needy settlers. Not only were the farmers protected against privation; they were enabled to carry their livestock safely through the year to the next harvest.

In the spring of 1915, they were supplied with \$7,500,000 worth of selected seed grain. For the protection of the Public Treasury, liens were taken in all cases. Legislation procured from the Provincial Legislatures made the Government's claims for seed and fodder a first charge on crops and a charge on land in the order of registration. The liens bear interest at five per cent, which is a low charge, considering the time at which the money was raised and the rates of interest ordinarily asked by private institutions in the West. The result of the Government's generous and provident action was even more satisfactory than could have been expected. The crop of 1915 was the most bountiful in Canada's history, being almost double the average yield.

The harvest everywhere was extraordinary and the drought-stricken districts made the best showing of all. The farms kept in going condition and the seed furnished by the Government brought forth in some cases almost the proverbial hundredfold and in a single season extensive areas leaped from bankruptcy to a new hope. Out of the 1915 crop, \$2,750,000 was repaid to the Government. Last year, portions of the West were stricken with rust or hail, so that the total yield was much under that of 1915, but the communities assisted by the Government again had a good crop. Stretches of prairie country as extensive as some European principalities have been saved from destruction, and the whole Dominion thus protected against grave damage to its reputation as a home for settlers.

THE NICKEL PROBLEM

Nickel for the Allies

The nickel problem was one of the most pressing and difficult with which the Government had to deal when war came. Seventy per cent of the world's supply of this metal is produced at Sudbury, Ontario, for the most part from mines owned by the International Nickel Company, a corporation controlled in the United States. It was under a former Administration that this enterprise was permitted to establish its refinery in New Jersey and to take the mineral there in matte form for final treatment. When war was declared the Canadian Government, sought to conserve so important a basis of munition manufactures for the exclusive use of the British Empire and its Allies and to prevent the precious metal from reaching the enemy. The problem was complicated by the necessity of allotting adequate quantities of nickel to American firms engaged in manufacturing munitions for Great Britain and her Allies. To have shut off the supply to the American firms would have been to deprive the Allies of one of their chief sources of war materials at a time when their own production was far behind the enemy's output. The adoption of such a course would greatly have strengthened the Central Powers in their violent efforts to secure for themselves an early and triumphant conclusion of the war before the Allies were able to put their full strength in the field.

Embargo Impossible

It is therefore clear that a Canadian embargo on the export of nickel would have; (1) temporarily destroyed a great Canadian mining industry, incidentally throwing thousands of men out of employment; (2) paralyzed the United States as a source of munition supplies for the Allies; (3) denied to Great Britain, France, Italy and Russia the nickel for the guns, armour plate and munitions which they required; and (4) precipitated unpleasant relations with the United States by inviting retaliatory measures that might easily have worked great injury to Canada.

Expropriation Untimely

When the summary expropriation of the Canadian mines was considered, equally serious objections presented themselves. To expropriate in war time when the International Nickel Company was making exceptional profits would have involved payment of high prices for the mines in a period when the national finances have to be carefully conserved to meet war requirements. But a stronger, and, indeed, insuperable, objection presented itself. As a year would be required to establish a refinery in Canada, the British Empire and its Allies would for that length of time be deprived of the nickel which is so essential to the successful conduct of the war. It is therefore obvious that either an embargo or expropriation would have worked injury to the great cause which all have at heart and greatly strengthened the Central Powers. Under these conditions the only possible course for the Government was to control the product of the mines and follow that product to its ultimate destinations.

Thorough Supervision

After consultation with the Imperial authorities, and by co-operation with them, an effective system of supervising the sale, shipment and use of all Canadian nickel was elaborated and put into force. In the adoption and operation of this system it is only justice to say that the International Nickel Company has afforded the Canadian authorities every facility. Agents of the Canadian Government follow the matte to the refinery and the refined product to its destination. So minutely is this policy carried out that not a pound of Canadian nickel is allowed to find its way into enemy countries. On July 18th, 1916, the Right Honourable Bonar Law, Secretary for the Colonies in the British Government, cabled: "His Majesty's Government are fully aware of the arrangements made for supervising the destination of nickel refined from nickel ore exported to the United States and are satisfied with precautions taken to prevent such nickel reaching the enemy."

The Canadian nickel regulations have been found so effective that the Imperial Government has followed them in permitting the export of other war commodities to neutral countries. It should be added that by its action the Canadian Government protected the British and Allied Governments from having to pay exorbitant prices. These governments have got their nickel at exactly normal peace prices except for added war insurance charges and the difference in cost of transportation due to scarcity of ocean tonnage.

Germany's Supply

There is no mystery regarding Germany's supply of nickel for the war. Immense quantities were stored in that country in deliberate preparation for the conflict. In capturing Antwerp the enemy secured the Antwerp Nickel Refining Plant and the great stock of nickel ore and matte stored there. Germany also has sources of supply within her own borders. Both Prussia and Saxony boast nickel deposits which could not be profitably worked in peace times in competition with the cheaper Canadian metal, but which have been actively mined ever since the war began. Nickel deposits in Norway have also been a source of German supply. Nothing could be more manifestly absurd than the statement that the International Nickel Company is controlled by the enemy. During the two years immediately preceding the war the Company's shipments to Germany totalled almost 10,000,000 pounds per annum, or between two and three million pounds more than its shipments to Great Britain. For the period of the war shipments to Great Britain have been double what they were before, while not a pound has gone to Germany or Austria. Shipments to Allied countries also show a tremendous increase; for example, Russia gets 6,000,000 pounds per annum, as compared with practically nothing under peace conditions. The manufacture of munitions in the United States for Great Britain and her Allies has absorbed almost double the quantity used in that country prior to the conflict. It is scarcely conceivable that if the International Nickel Company were controlled in Germany it would be permitted to utilize its plant to supply the British Empire and its Allies with such vast quantities of a metal essential to the successful conduct of the war. If German shareholders were influential in the Company, they would strike the Allied Governments a serious blow by closing down the plant, for in that event the Allies would be deprived of the Canadian ore during the period

that would be required to establish a refining plant in Canada. As a matter of fact, less than one half of one per cent of the Company's stock is owned in enemy countries.

The Only Possible Course

As has already been indicated, the Prime Minister and the Canadian Government have from the first pursued the only possible policy, and in so doing they have effectively protected, not only the national interests, but the interests of the British Empire and its Allies. Under pressure from Sir Robert Borden and the Ontario Government, the International Nickel Company has agreed to erect a refinery for the treatment of the Sudbury ores on Canadian soil. In the selection of a site such considerations as economic freight shipments and the marketing of wastage and by-products could not be overlooked. These questions have been solved and the Canadian Refining Company, with a capitalization of \$5,000,000 has its plant under construction at Port Colborne. The plant is being laid down in units and the initial construction provides for the refining of from twelve to fifteen million pounds per annum. This output will suffice for the needs of the British Empire and new units will be added as required for the foreign market. A second refinery is assured. From the first the Canadian Government has been at great pains to safeguard the interests of the Allies in the Canadian nickel deposits, and it has now taken such measures as will effectively nationalize an important native industry and prevent Canadian nickel from finding its way into dangerous and undesirable channels.

A Cruel Agitation

No more cruelly unjust agitation was ever waged than that in which the Canadian Government was represented as sending nickel across the ocean to kill Canadian soldiers. For political and selfish reasons, unprincipled persons and newspapers circulated this ugly rumour in a concerted effort to mislead a loyal and self-sacrificing people. The propaganda caused much anxiety to the mothers wives and sisters of Canadians at the front, but well-informed people recognized that Ministers of the Crown were scarcely likely to supply the enemy with ammunition against their own sons on the battle line. A statement by Lord Robert Cecil, Under-Secretary for Foreign Affairs in the British Government, was seized upon by the mad agitators in pressing their weird attack. His statement was twisted to indicate that Canadian nickel furnished part of the cargo of the German submarine "Deutschland." In a cabled interview Lord Cecil promptly declared that he had in no way referred to nickel from Canada and that he had had no intention whatever of criticising the arrangements for controlling Canadian nickel or suggesting that any Canadian nickel reached the enemy. He added: "The British Government is perfectly satisfied with the precautions taken and the arrangements made by the Canadian Government with regard to nickel." This interview, supplemented as it has been by other cable messages to the Government, puts an end finally to one of the most unseemly campaigns in Canadian history.

THE ROSS RIFLE

Malicious Charges

For months past Liberal politicians and the Liberal press have circulated malicious charges against the Government with respect to the Ross rifle. They allege that the Borden Government, with full knowledge that the Ross rifle was inefficient and defective, continued its use at the front, at the price of needless sacrifice of Canadian lives; that a report from General Alderson condemning the Ross rifle was suppressed from the public for five months; and that its use was discontinued only after a vigorous protest from Sir Douglas Haig, British Commander-in-Chief. Addressing the conference of Eastern Ontario Liberals in November last Sir Wilfrid Laurier solemnly stated:

"The Government sent our troops into the trenches inadequately armed, to be slaughtered by the enemy."

The purpose of the following pages is to show by plain presentation of facts procured from official records, that no more false and unscrupulous accusations than the foregoing have ever been levelled against a Canadian administration.

Three Essential Points

Broadly speaking there are three essential points in connection with the Ross rifle upon which the people of Canada demand to be enlightened:

- (1.) Who were responsible for the adoption of the Ross rifle as a service weapon by Canada?
- (2.) What were the chief provisions and general character of the contract entered into between the late Laurier Government and the Ross Rifle Company?
- (3.) Was the attitude of the Borden Government with respect to the Ross rifle in this war consistent with the fullest interest in the maximum protection and fighting efficiency of Canadian soldiers?

The adoption of the Ross rifle as the service rifle of the Dominion forces was exclusively the achievement of the Laurier Government. Before the Montreal Reform Club, Mr. F. B. Carvell, a Liberal M. P., said that the Laurier administration adopted the principle of making rifles for Canadian soldiers in Canada, but did not adopt the Ross rifle. This statement—since repeated by many respectable Liberal newspapers—has not a single fact to support it. The contention of Mr. Carvell is conclusively disposed of in the careful legal phrasing of the contract entered into between Sir Frederick Borden and Sir Charles Ross. Clause Two of the contract provided that the rifle should correspond in every respect—

"to a standard sample rifle which is to be approved by the Minister."

And Clause Five provided that—

"if at any time or from time to time, the Government should desire to have any changes in or modifications of the rifle to be manufactured and supplied by the contractor, the Government may give to the contractor at least twelve months notice in writing."

CANADA'S EFFORT IN THE GREAT WAR

The foregoing makes it perfectly clear that the late Government did adopt a standard rifle; so much so that the standard adopted could not be departed from without a year's written notice from the Government to the Ross Rifle Company. And what that standard rifle was is clearly set out in a report made by Sir Frederick Borden to the Governor-General as follows:—

"The permanent force have been issued the Ross rifle, Mark 11, and many rifle associations supplied with the same rifle Mark 1. Complaints as to these rifles would not appear to be more frequent than those made about other service rifles at their first introduction."

It is therefore manifest beyond argument, (1) that the Laurier Government was responsible for the adoption in 1902 of a standard service rifle for the Canadian militia; (2) that no improvement nor change of any kind could be made in this rifle without a year's written notice from the Government; and, (3) that the standard adopted was the Ross.

A Bad Contract

that—

The contract which the Laurier Government entered into with the Ross Rifle Company contained some extraordinary provisions. In Clause Three, for example, it is provided

"The Government shall be bound and entitled to purchase from the contractor all rifles required for the use of the Government during the continuance of the contract."

In view of the fact that it was stated in the preamble of the contract that its provisions would be binding upon "the successors in office of the said Minister of Militia and Defence," it will be seen that the company was given a perpetual monopoly. In fact this provision becomes almost unbelievable when considered alongside the further statement in the same clause which says:—

"In case of war, actual or threatened, or any national emergency, requiring in the opinion of the Government, the immediate supply of additional arms, the contractor upon receiving any notice or demand from the Government for any number of rifles specified to be urgently required in view of this proviso shall, within thirty days of receiving such notice or demand notify the Government in writing of the number of rifles which he will undertake to furnish in accordance with such notice or demand."

Take this last provision in connection with the first, and what does it mean? It means that the late Government agreed that even in the event of this country being attacked it would be unable to lift a hand to buy rifles from any source whatever other than the Ross Rifle Company, unless after thirty days that company informed the Government it was not in a position to supply them. For instance, if on declaration of war against the British Empire, Canada suddenly found itself in immediate need of 200,000 rifles, had 150,000 on hand and was in a position to purchase the required remaining 50,000 in, say, the United States, at once and

CANADA'S EFFORT IN THE GREAT WAR

under favorable terms, the Government, unless it treated its contract as a "scrap of paper," could not buy a single rifle until the Ross Rifle Company had been given a month to make up its mind whether it was in a position to supply the rifles or not. Did any country ever experience such a near approach to lunacy in supposedly responsible administrators?

Twelve Months' Notice

Nor does this unprecedented undertaking represent an isolated instance of stupidity or worse on the Laurier Government's part in the contract in question. Not content with an agreement that might paralyze Canada's efforts in the event of war, it went further, and in Clause Five agreed:—

"If at any time or from time to time, the Government should desire to have any changes in or modification of the rifle to be manufactured and supplied by the contractor, the Government may give to the contractor at least twelve months' notice in writing."

And Clause Six further provided that:—

"If a new rifle shall be invented which the Government shall desire to adopt or use the Government may furnish to the contractor a standard sample of such new rifle, and give the contractor twelve months' notice in writing, requiring that the new rifles to be delivered by the contractor upon and after the expiration of the period of such last mentioned notice shall correspond to the standard sample of such new rifle so furnished."

What did these two clauses mean? They meant, (1) a delay of a year if at any time, including war time, or a possible national emergency, the Government became aware of the necessity to improve or discard the Ross; and, (2) that the contract for any new rifle that might be adopted at the end of the year had to go to the Ross Rifle Company in any event. And for this phenomenal achievement of political sagacity the Laurier Government agreed to pay the Ross Rifle Company \$25 a rifle, advancing 75 per cent, furnished the company free land for its factory site, allowed it to import machinery and component parts of rifles free of duty; and up to 1905 had advanced it \$600,000 for a total delivery of 136 rifles.

So much for the question as to who was responsible for Canada's adoption of the Ross rifle. Let us now examine the Borden Government's connection with it.

After Ypres

When the present Government entered office in 1911 this country had invested approximately \$4,000,000 in the Ross rifle, and it was the official arm of the infantry of the Canadian militia. Though pronounced efficient by experts, the rifle had never been tested in actual war. The Borden Government, under the circumstances, continued to serve the rifle out to the militia. To have done otherwise, or to have totally discarded it without a fair test under war conditions would have been contrary to the judgment of the public, and exception cannot reasonably be taken to the course that was followed. Furthermore no other course was possible as will clearly appear later.

When war came the Ross was served out to our Expeditionary Forces; was used for training purposes in England; was taken to the trenches for the first time by the first Canadian Division, about seven months after the

CANADA'S EFFORT IN THE GREAT WAR

outbreak of hostilities, and received its first real test in battle at Ypres toward the end of April, 1915. How it stood that test became a matter of controversy; but no report of any kind reflecting on the efficiency of the rifle was made to the Government either by the British Commander of the Canadian forces, General Alderson, or by any of the Brigadier or battalion commanders. It was stated that in many cases the Ross rifle had jammed, but this was attributed to a small supply of defective ammunition which, in the desperate haste to supply the British army with munitions, had got by the British inspectors. In the subsequent battles at Givenchy and Festubert, however, there were further reports and rumors of jamming, and on June 15, 1915, the First Division in France was re-armed with the Lee-Enfield, the reason being, according to a report made to the War Office by Sir John French, that British ammunition was unsuitable for the Ross rifle unless its chamber was slightly enlarged. In his report to the War Office, the full text of which will be made public at the proper time, the British Commander-in-Chief requested the War Office to send Army Council experts to France to make thorough tests of the Ross with ammunition of British manufacture, and added:—

"I would observe that in my reports I have never condemned the Ross rifle, nor have I any sufficient data to justify me in doing so. Owing to the difficulty at present experienced in turning out rifles in sufficient numbers for our requirements, I shall most heartily welcome an authoritative statement which will carry conviction to the men that their apprehensions are unfounded, or what may possibly be found more easy of attainment, viz: a slight alteration to the chamber of the rifle which will better adapt it for use with the British ammunition."

So that three months after the battle of Ypres—June 19, 1915,—Sir John French was of opinion that there was no reason to condemn the Ross rifle as a service weapon, and thought that a slight alteration to its chamber would render it effective with British ammunition. In the face of this expressed opinion from the highest military authority in the Empire, the Dominion Government could pursue no other course than that of retaining the rifle in the other Canadian divisions on their way to the front.

**Chambers
Enlarged** As a result of the report and recommendation of Sir John French the chamber of the Ross rifles in existence and under manufacture was enlarged, as was also the chamber of the Lee-Enfield, and, after thorough tests made by the British Army Council in England and France, the Ross was declared to be satisfactory, and consequently, continued in use.

Such was the position up to the early months of 1916. On March 30, 1916, Sir Robert Borden, in view of further rumored criticism of the Ross, on his own initiative, determined that if a better rifle could be procured, Canadian soldiers should not be exposed to the slightest possibility of added peril even through lack of confidence in their rifle. On that date he cabled Sir George Perley, Dominion High Commissioner, in London, in an effort to have the Canadian troops armed with the improved Lee-Enfield which, the Dominion Government understood, was being manufactured in the United States in large quantities for the British Government. The reply

CANADA'S EFFORT IN THE GREAT WAR

from Sir George Perley, cabled after he had several interviews with the Imperial authorities, was to the effect that the British Government could not spare a single rifle; and that it desired that the Canadian Government should not place a contract for rifles in the United States, because of possible interference with a badly needed British supply.

**Prime
Minister
Prompt**

Thus, long before it had been suggested by critics of the Government, or anybody else, that the Ross rifle should be discarded, Sir Robert Borden, determined that in such a grave matter there should be no room even for doubt, was doing everything in his power to have the Canadian forces armed with the best rifle available, but was rendered helpless for the simple and all-sufficient reason that other rifles were not to be had.

Again, on May 15, 1916, Sir Robert Borden had a message transmitted to Sir Douglas Haig, the newly appointed British Commander-in-Chief, informing him that after conference with General Hughes it was decided to urge that further tests be made of the Ross rifle under conditions as experienced at the front, the Dominion Government being anxious to have a final decision upon the merits of the rifle. The message added that the Dominion Government was prepared to leave the question of the desirability of the further use of the Ross to the judgment of the British Commander-in-Chief.

On June 5th the importance of an early and final report upon the Ross was again urged by Sir Robert Borden in the following cable to Sir William Robertson, Chief of the British Staff:—

"By reason of rumored dissatisfaction with Ross rifle I held consultation with General Hughes on 15th May and sent unofficial message to Commander-in-Chief that we were prepared to leave matter to his judgment after making all necessary tests of both rifles under such conditions as are experienced at the front. We suggest that men making tests should be of equal experience. Ross rifle is only arm we are equipped to produce in Canada at present and we believe it efficient if properly used but are content to abide by the judgment of Commander-in-Chief after thorough investigation and adequate tests. We realize absolute necessity of two conditions; first, that men shall be armed with a thoroughly efficient rifle; second, that their confidence in such rifle shall be unshaken. Please let me have your judgment as to the proper course to pursue."

Sir William Robertson replied to this cable through the Colonial Secretary, on June 10th, that the Prime Minister's request for an opinion on the Ross rifle had been referred to Sir Douglas Haig, and that his reply would have to be awaited before a definite decision could be made.

**Sir Robert
Insistent**

Receiving no word up to June 24, Sir Robert Borden again pressed for a report. In a cable to Sir George Perley he pointed out that the Dominion before placing any further orders for rifles for the new Canadian forces, must have an authoritative report upon the Ross. The cable requested Sir George Perley to inquire whether any report on the Ross rifle had been made, and concluded:

"During the last six months the Canadian Government has had under consideration the giving of a further order for a large number of rifles to be delivered in 1917, but this has been de-

CANADA'S EFFORT IN THE GREAT WAR

layed on account of rumored dissatisfaction with the Ross rifle, referred to in the Prime Minister's cable to you on June 6th. The time has now, however, arrived when an immediate decision must be made and the Canadian Government hopes that the war office will have a thorough and reliable report regarding the merits of the rifles on which such decision could be based. If the Ross is really not the best for active service work, or if our troops have lost confidence in its efficiency, we would certainly not keep on manufacturing it. I ask, therefore, that the War Office advise us fully and give us their opinion regarding this."

As a result of this urgent request for immediate decision the War Office, on July 3rd, forwarded Sir George Perley, for the Dominion Government, copies of two letters, dated May 28th, 1916, and June 21st, 1916, received from Sir Douglas Haig. They were to the effect that after extensive tests, made at the request of the Dominion authorities, the Commander-in-Chief was of opinion that the Ross rifle was less dependable than the Lee-Enfield, and that, providing a sufficient supply of Lee-Enfields were available, the three Canadian Divisions should be rearmed with them.

A few days later the troops from the Dominion were supplied with Lee Enfields; and thus ended the active war career of the Ross rifle. Early in 1917 the Government expropriated the Ross Rifle factory and plant for the manufacture of the Lee-Enfield rifle, thus terminating a bad contract and substituting national ownership for private control of armament production.

Government Blameless

It is a record which, judged from the most critical of viewpoints, does no discredit to the Borden Government, quite the contrary. That Government came into office to find the Ross rifle enthroned upon the basis of a contract that bound the country to its exclusive purchase and use. No one can honestly pretend, regarding all the circumstances, that it was the duty of Sir Robert Borden to break that contract and discard the Ross before a test had been made of it in war. When test of actual war had raised doubts as to the rifle's efficiency, Sir Robert Borden brushed aside the proviso in the contract demanding a year's written notice to the company before a change could be made and urged that Canadian troops be armed with the British rifle; but was confronted with the stern fact, pointed out by the War Office to Sir George Perley in April, 1916, that there was no other rifle available to replace the Ross.

It has been charged that a report by General Alderson condemning the Ross rifle was pigeon-holed by the Government for five months before action was taken and that the report was suppressed from the public. No such report was ever made. The extracts from the official correspondence set out in this article constitute the most effective answer to that libel. No report condemning the Ross rifle was received by the Government from General Alderson or from any other commanding officer of the British Army, until Sir Douglas Haig made his report to the War Office at Sir Robert Borden's request. A letter written by General Alderson criticizing the Ross did appear in the press. But it was published long after the Prime Minister had attempted to have the Canadian troops armed with the Lee-

CANADA'S EFFORT IN THE GREAT WAR

Enfield—and had failed because they were not available. And even if a report from General Alderson reflecting on the Ross rifle had been received, what course could the Borden Government have taken other than that pursued? The grim necessity of the situation was such that no other arm could be obtained. The British Government went emphatically on record to that effect; and Britain herself was purchasing Ross rifles in considerable lots, so great was the need. When, at last, the time arrived that a sufficient supply of Lee-Enfields was available, Canadian troops, at the earnest and repeated solicitation of the Dominion Government, and not, as has been maliciously alleged, at the demand of the British Government, were armed with Lee-Enfields. That is the one outstanding fact of the entire situation.

A Political Weapon

The Ross rifle in this war should not have been made a political issue. But since professional politicians have sought to suck political advantage ever from the dripping veins of our soldiers, it is well that whatever blame there is for the Ross rifle should be placed where it belongs. The late Laurier Government conceived and fathered the Ross rifle. It was its creator, its sponsor and its defender. It foisted it upon this country with a contract worthy only of the men who gave to Canada the notorious implementing clause in the agreement with the G. T. P. It conceived and utilized the Ross rifle for political purposes in the past; its professional supporters are endeavoring to use it for party advantage at present. But the Canadian public, Liberal or Conservative, more anxious about winning the war than about the fortunes of political leaders, will, after impartial study of the facts, conclude that the course pursued by the Dominion Government was not inconsistent with the fullest interest in the safety and fighting efficiency of Canada's forces and a vigorous prosecution of the war.

PEACE PREPAREDNESS

The Reconstruction Period

It is well that the Canadian people should know of the achievements roughly described in these pages. The record is a proud chapter in Canada's history. But what of the future? Some day the war will end. Some day the industrial forces now applied to destructive purposes must be turned back to constructive purposes. Some day four or five hundred thousand Canadian soldiers will return to civil life. Their discharge and repatriation may extend over many months, but the first arrivals will reach home just as the Dominion's chief industry, the production of munitions, closes down. Unless adequate provision is made for the speedy absorption of our soldiers in productive callings, we may for a time experience grave conditions of unemployment.

To what purpose can munition factories, munition-making machinery and munition workers be re-adapted? What proportion of the new subsidiary enterprises inaugurated since the war began can be wholly, and what proportion partially, preserved? What new industries can be established when the Sun of Peace arises? To what extent can existing industries be expanded? How many new workmen will this industry, or that, be able to employ after the war? In what market shall we offer this commodity for sale, and in what market that? How can we expand our markets? How can we induce, not only returning soldiers, but immigrants in general to take up our spare lands and increase agricultural production? All these questions and many others are involved in the question of Peace Preparedness. All of them must be considered in connection with the proposed economic programme of Great Britain and her Allies.

There is a lively prospect that after the war Canadian products will have a preferred position, not only in the markets of the British Empire but in those of the Allied Nations. The problems thus imperfectly outlined are not being overlooked. Investigating agencies have been at work for some time under instructions from the Canadian Government, collecting necessary data upon which to base decisive action. One, "The Economic and Development Commission," has investigated the question of Immigration and Land Settlement. The second, a special Commission of business men, which has visited Europe, deals with industrial conditions and foreign markets. The third is known as the Honorary Advisory Council for Scientific and Industrial Research, and co-operates with a Committee of the Cabinet in fostering the scientific development of Canadian industries during and after the war. Professor A. B. Macallum, of the University of Toronto, is Administrative Chairman of the Council, which includes eleven other Canadians with high scientific, business or industrial achievements to their credit.

CANADA'S EFFORT IN THE GREAT WAR

Economic and Development Commission.

The Economic and Development Commission, of which Sir James Lougheed is Chairman, already has plans for organized land settlement after the war. These plans include the selection of large agricultural areas, and the subdivision of these into districts, each with a central Government administration farm, the essential general store of the pioneer community, and a corps of mechanics to assist the settlers in various ways at the outset. Under this scheme, the settlers will have financial assistance from the Government, upon due security retained or provided.

Canada is supremely interested in placing selected Canadian and British soldiers on the soil and in enabling them to "make good" as Canadian farmers. In the report of the Ontario Commission on Unemployment, it is said, that after the conclusion of peace, Great Britain, the British Dominions and Allied countries will disband millions of armed men, a considerable proportion of whom may be available for settlement on the land in Canada.

To have waited until the end of the war would have meant that nothing satisfactory could then have been achieved. A grave economic and social crisis would have resulted. As has been said by a member of the British Association, "the machinery for providing ex-service men with land ought to be created without delay and be in operation before we have the men put on our hands." For this purpose and for the general purpose of inter-imperial migration and land settlement, the United Kingdom and the Dominions should be viewed as a whole. It should be possible effectively to unite the Imperial and Dominion Governments in a policy which will keep the movement of population more and more within the Empire, check the drain of people to foreign countries and so conserve British manhood for the development of British territory and the support and defence of British institutions against future contingencies. Both in Britain and Canada adequate steps are being taken for the realization of these desirable ends.

CANADA AFTER THE WAR

A Great Future

Canada has weathered world-shaking disaster infinitely better than anyone could have expected. In the nation's natural wealth, developed and undeveloped, we have resources for the support in comfort of many times the present population. The farming industry alone can easily provide a living for millions from other countries. We require only to meet home problems with the same courage, promptness and efficiency which Government and people have displayed in speedily creating an army, in sustaining and enlarging it and in placing it on the European battle line. As we are equal to the tasks of war surely we can be equal to the demands of peaceful industry.

Twelve or fifteen months after the outbreak of Civil War in the United States, an era of activity and prosperity for the North began which lasted for eight years after peace was restored. If there is great destruction in some countries there must be great production in other countries. Canada is outside the area of destruction, like the American states which were not occupied by the contending armies. No doubt the war absorbs vast amounts of capital, but where vigor and wisdom are at the helm all history shows a remarkable adaptation of financial devices to national emergencies. There must be no long period of depression for a people as industrious and energetic as those of Canada, or for a country with such rich and varied natural resources as this country possesses.

We shall still have the richest area of unsettled land on the continent, and never was there such a demand for land and opportunity as will arise when the armies of Europe are disbanded. We will require courage, energy and statesmanship, not for land trading and railway building, but for land tilling and home making. A multitude of those who have been uprooted from their ordinary callings by the ploughshare of war will never re-establish themselves in Great Britain or in Europe. They will seek homes across the sea, and it is for us to direct their steps toward Canada.

Multiply Population

It should be our object to increase the population of Canada in a few years by three, four, or five millions. We have an industrial and railway equipment for 15,000,000 or 20,000,000 people, and there should be a supreme effort to make equipment and population balance. Wisely or unwisely the railways have been built—a proportion of their mileage unwisely—but they have been built, and the only statesman-like course is to do everything we can to bring settlement up to a point as far as possible in keeping with our railway expansion and obligations. By such an increase of population the war debt can be greatly lightened. In short, Canada must set itself to construction while Europe is engaged in the desperate problems of reconstruction. Undoubtedly we shall have an influx of immigrants after the war and we should ensure that they are adapted to the country, that as many as possible go upon and remain upon the land, and that they are established under conditions that will give them fair prospects of success. There must be better supervision of immigrants at Old World ports and organized attention to their needs and interests after they come to Canada.

SOLDIERS AN INFLUENTIAL CLASS

An Influential Element

When the war is over and Canada's soldiers come back from their triumphant sacrifices in defence of the Dominion, they will be the most influential element of the population. This does not mean that we are to have an arrogant militarist caste in Canada, but it does mean, that having played the part of men, and having greatly widened their outlook by enlightening experiences abroad, they will have a unique place in the community. Like the disbanded troops who settled in the British North American Provinces after the American Revolution and the Napoleonic Wars, they will bring with them the benefits of a disciplined life and loyalty to a high ideal.

Together with the time-expired British soldiers, who will find homes here after the war, they will spread throughout the Provinces, hold the balance of power in many communities, and prove a potent leaven for the Canadianizing of newcomers of foreign extraction. Their presence will indeed terminate any danger that may have arisen from the pretensions of alien sections in the home-keeping population. They will be powerful buttresses of national and Imperial sentiment and of reasonable measures for defence.

Warrior Heroes

The choicest of earth's sons, their blood will enrich generations to come with just such ardent patriotism as that of the United Empire Loyalists, who saved the Canadian Provinces in the war of 1812-14, and who have been a mighty force in keeping British traditions dominant in Canada throughout the intervening century against the great war now testing the souls of men. So great is the service today being rendered by the men in khaki that they will not need to be supplicants to any Government for fair treatment in the years to come. The saviours of their country, in time of peace, they, and, to a sane degree, their dependents, will be an honored class. They must be so regarded and treated as long as they live; they must be given "the inside track" the right of way, as regards all available posts in the public services for which they are, or can be, fitted. Everybody else must stand aside in the filling of vacant positions in the Dominion and Provincial civil services, and in municipal services throughout the country. Private corporations, business houses and individual employers should also place the country's defenders on the preferred list and keep them there.

This obligation and privilege of paying a national debt must never be lost sight of so long as any of these soldiers remain alive. If other nations have proved ungrateful to their heroes after former wars, the great and wealthy Dominion of Canada must establish a new precedent. All Canadians who remain at home and have their battles fought for them in this most tremendous and appalling of all conflicts must forever hold it to be their bounden duty and chief delight to deal generously with their fellow-citizens who have offered their all on the battle line, and with the families of those who have fallen.

APPENDICES

APPENDIX No. 1

RETURN SHOWING THE NUMBER OF RECRUITS OBTAINED FOR THE
C. E. F. IN THE SEVERAL MILITARY DISTRICTS IN CANADA
AS ON MARCH 15TH, 1917.

	Number of Recruits on December 31, 1916.	Number of Recruits from February 15 to February 28.	Number of Recruits Feb. to March 15. 28	Total March 15, 1917.
Military District No. 1				
The Western Penin- sula of Ontario with London as its chief centre	31,338	328	300	32,770
Military District No. 2				
The Toronto, Niagara, Muskoka and Parry Sound Districts	85,364	1,186	625	89,522
Military District No. 3				
Eastern Ontario	41,204	433	373	45,165
Military District No. 4				
Western Quebec with Montreal as its chief centre	33,995	381	234	35,986
Military District No. 5				
Eastern Quebec with Quebec City as its chief centre	7,729	82	73	8,064
Military District No. 6				
The Maritime Prov- inces	34,802	317	323	36,883
Military District No. 10				
Manitoba and North- west Ontario	76,980	352	297	78,436
Military District No. 11				
British Columbia and the Yukon	37,757	274	271	39,231
*Military District No. 12				
Saskatchewan	764	222	181	1,699
Military District No. 13				
Province of Alberta and MacKenzie River Territory	34,517	69	97	35,157
Total	384,450	3,544	2,674	**402,913

CANADA'S EFFORT IN THE GREAT WAR

*The Province of Saskatchewan was only recently erected into Military District No. 12. It was previously a part of Military District No. 10, and so contributed a large proportion of the recruits credited to No. 10.

**If we include 12,500 troops on garrison and permanent duty in Canada, we had on February 28th raised about 415,000 men. Including contributions to the Canadian and British naval services, British munition works, and the enlistment of British, French, Russian and Italian reservists from Canada, this country had at the end of March, 1917, given nearly 450,000 men for the allied cause. On his return from the Imperial War Conference in May, 1917, Sir Robert Borden announced that from 50,000 to 100,000 reinforcements would be secured by the draft system.

CANADA'S CONTRIBUTION OF MEN TO THE ALLIED CAUSE

A statement prepared by the Militia Department gives the following details regarding the number of officers and men raised in Canada for the Canadian, British and Allied forces:

Enlistments, C. E. F. to February 28, 1917	400,239
Active Militia on guard duty, February 28, 1917	8,354
Permanent Force, February 28, 1917	2,696
Total	411,289
<hr/>	
Canadian Naval Service to February 28, 1917	3,310
British Naval Service to February 28, 1917	1,962
Imperial Mechanical Transport, February 28, 1917	1,200
British Munition Works to February 28, 1917	3,000
<hr/>	
Total	420,761
British Reservists in Canada who went Overseas, Feb. 28, 1917	2,750
British Naval Reservists to February 28, 1917	1,000
French Reservists to February 28, 1917	5,000
Russian Reservists to February 28, 1917	7,500
Italian Reservists to February 28, 1917	5,000
<hr/>	
Total	442,011

The Department also gives the following details as to those who have gone overseas:

C. E. F. sent Overseas to March 27, 1917	300,262
Naval Service to March 27, 1917	1,962
Mechanical Transport, to March 27, 1917	1,200
Munitions Workers to March 27, 1917	3,000
British Army and Naval Reservists, to March 27, 1917	3,750
Allied Reservists, to March 27, 1917	17,500
<hr/>	
Total	327,674
Add Canadian Naval Service, to March 27, 1917	3,310
<hr/>	
Total	330,984

CANADA'S EFFORT IN THE GREAT WAR

SERVING IN CANADA

C. E. F., to February 28, 1917	46,166
Guard duty, to February 28, 1917	8,354
Permanent Force, to February 28, 1917	2,698
Total	57,218

CASUALTIES:

Killed in action, to March 21, 1917	12,185
Died of wounds, to March 21, 1917	4,355
Died of Sickness, to March 21, 1917	666
Presumed dead, to March 21, 1917	1,104
Wounded, to March 21, 1917	51,961
Missing, to March 21, 1917	2,741
Prisoners of War, to March 21, 1917	2,374
Total	75,386

AT THE FRONT AND IN ENGLAND:

In France, etc., February 28, 1917	117,863
In England, February 28, 1917	130,872
Total	248,735
Total who have seen service in France or the near East, to March 15, 1917	175,000

APPENDIX No. 2.

CANADA'S WAR OUTLAY

Canada's outlay on the war has grown as follows:

August 4, 1914 to March 31, 1915	\$ 60,750,476.01
Fiscal year ending March 31, 1916	166,197,755.47
Fiscal year ending March 31, 1917, (estimated).	235,000,000.00

APPENDIX No. 3.

REVENUE, EXPENDITURE AND DEBT.

The following table shows the ordinary and capital expenditure for the past three years. It will be seen that if we exclude the rising interest and pensions accounts a notable decline in expenditure has been achieved. The table reads:

	1915	Year Ending 31st March 1916	1917
Ordinary and capital ex- penditures, including pen- sions and interest	\$187,448,050	\$173,478,404	*\$180,000,000
Ordinary and capital ex- penditures, including pen- sions and interest	\$171,252,750	\$151,385,686	*\$140,000,000
*Estimated.			

CANADA'S EFFORT IN THE GREAT WAR

It will be seen that for the year ending March 31st, 1917, outlays on both accounts have been cut down by over \$31,000,000, as compared with 1915, if pensions and interest charges are omitted from the calculation. The great bulk of this expenditure is irreducible; much of it is statutory and for large railway and other undertakings under way many years before the war commenced.

Below is a statement of consolidated revenue, consolidated fund expenditures and war expenditures for the years ending March 31st, 1915, March 31st, 1916 and March 31st, 1917:

	March 31st, 1915	March 31st, 1916	March 31st, 1917
Consolidated fund revenue ..	\$133,073,481	\$172,147,838	*\$230,000,000
Consolidated fund expenditure	135,523,206	130,350,726	* 145,000,000
War expenditures	60,750,476	166,197,755	* 235,000,000

*Estimated.

Here is an interesting statement showing the net national debt on five successive dates:

	Net Debt
March 31, 1913	\$314,301,625.68
March 31, 1914	335,996,850.14
March 31, 1915	449,376,083.21
March 31, 1916	615,156,171.02
March 31, 1917.....	* 800,000,000.00

*Estimated.

APPENDIX No. 4.

TRADE OF CANADA DURING THE TWELVE MONTHS ENDED FEBRUARY 28, 1915, 1916 AND 1917.

Imports for Consumption	1915	1916	1917
Dutiable goods	290,910,628	278,303,387	441,917,609
Free goods	177,160,463	207,856,753	363,112,013
Total imports (mdse.)	468,071,091	486,160,140	805,029,622
Coin and bullion	132,955,322	34,175,614	26,979,553
Total imports	601,026,413	520,335,754	832,009,175
Duty collected	79,963,407	100,315,295	142,722,151

CANADA'S EFFORT IN THE GREAT WAR

Exports.

Canadian Produce—

The mine	52,313,343	64,582,028	83,641,039
The fisheries	19,091,778	22,389,048	24,570,488
The forest	41,904,728	51,464,650	55,540,515
Animal produce	72,116,554	99,731,844	121,612,208
Agricultural produce	128,820,451	244,246,913	369,303,875
Manufactures	76,178,001	210,622,022	455,173,956
Miscellaneous	576,050	5,278,817	7,532,612

Total Can. produce.....	391,000,905	698,315,322	1,117,374,693
Foreign produce	50,314,760	39,293,938	24,891,544

Total exports (mdse.) ..	441,315,665	737,609,260	1,142,266,237
Coin and bullion	18,177,217	125,173,639	196,510,395

Total exports	459,492,882	862,782,899	1,338,776,632
---------------------	-------------	-------------	---------------

Aggregate Trade

Merchandise	909,386,756	1,223,769,400	1,947,295,859
Coin and bullion	151,132,539	159,349,253	223,489,948

Total trade	\$1,060,519,295	\$1,383,118,653	\$2,170,785,807
-------------------	-----------------	-----------------	-----------------

NOTE:—Exports have trebled in two years.

APPENDIX No. 5

PURCHASES OF HORSES

An Early Embargo

At the beginning of the present conflict, before the extensive adoption of trench fighting, the Allied Powers considered that the demand for horses would be much greater than it has been. These Powers, looking ahead, came together and made secret arrangements of a complicated character in the common interest. Competition in the purchase of supplies was, as far as possible, to be avoided. Again, in order to conserve the resources of the British Empire and to prevent British goods and commodities from getting into the hands of the enemy and being devoted to enemy purposes, restrictions were placed upon the exportation of certain potential war materials, including horses. The export of these was forbidden except to British possessions. These restrictions were adopted in Canada after the fullest investigation and after consultation with the British authorities.

The Government was convinced that the Empire's interests demanded such action. A discretionary right was, however, reserved, in case (after consultation if necessary with the British Government) it should seem advisable in any particular case to permit the export of any particular commodity in a manner not imperilling the common cause. Canada's market for the sale of horses was thus materially restricted. This was not a serious

CANADA'S EFFORT IN THE GREAT WAR

matter while the Canadian Government was purchasing horses for the first Canadian Contingent, but early in 1915 much discontent prevailed. It was said that the farmers were being compelled to carry their horses through the winter, unnecessarily and at great expense. The embargo prevented sales not only to the United States, but also to France.

Canadian Horses Only All horses required for the Expeditionary Force have been purchased in Canada. In the hurry and bustle of the effort to despatch the first contingent by the time planned some animals were purchased from dealers and there were, no doubt, some irregularities in the making of purchases. After the departure of the contingent, however, Sir Adam Beck very patriotically placed his long experience as a horseman at the service of the country and since then there has been general satisfaction on the part of all concerned. The policy consistently followed has been to make purchases only from farmers direct, so that the farmers themselves might receive the highest price paid, and that there should be no speculative "cornering" of the supply.

The Government, moreover, brought pressure upon the British authorities to buy horses in Canada or to permit the French to do so. The Government on its own initiative could have opened the market at any time, but it was deemed inexpedient in the interests of the common cause to take such a course. It was urged upon the War Office that a variety of horses was obtainable in Canada, that one class of horse might suit one Power and another suit another Power, and that joint buying would, therefore, not be prejudicial to the interests of either. Much correspondence in relation to this issue passed between the Prime Minister and Sir George Perley and the War Office. Sir Adam Beck, also, after conference with the Prime Minister, visited England and France and described to the British authorities Canadian conditions respecting the horse supply. All this effort did not bring immediate results, but ultimately both the British and French Governments began to purchase horses in this country. Perhaps they had come to feel that horseflesh was not to play as prominent a part in the war as had been anticipated.

Director of Remounts Sir Adam Beck was appointed to systematize purchasing operations on an economical and efficient basis. At first he was known as Remount Commissioner for Canada, but in June, 1915, he became Canadian Director of Remounts. He had been abroad in April and May; inspected the British and Canadian Remount Depots overseas; ascertained the condition of remounts already shipped by Canada and their suitability for the purposes intended; estimated probable requirements for the future; conferred extensively with the British Director of Remounts, War Office officials, Admiralty Transport Officers and the proper Canadian overseas authorities; and become thoroughly informed of the whole situation under review. He found the horses supplied to the Canadian forces in good condition and the officers and men well satisfied with the animals provided.

One thing especially impressed him. The British and Canadian Governments maintained entirely distinct organizations for the purchase of horses and for their distribution to the forces in France and England. The British

CANADA'S EFFORT IN THE GREAT WAR

had been buying some horses in Canada. If more were to be purchased there would be at best under existing conditions considerable diffusion of effort. It was quite impossible to preserve the identity of the Canadian horses among the large numbers collected at English veterinary hospitals, convalescent horse farms and other places. For these reasons the further maintenance of a separate Canadian Remount organization in England would be, in Sir Adam Beck's opinion, quite unnecessary and uneconomical. The British organization could be used instead. Furthermore, the Admiralty already had a regular transport service equipped for carrying horses to England. Sir Adam recommended co-ordination of the British and Canadian Remount services. In a conference at the War Office he proposed a plan for such co-ordination,—a plan which he later submitted to the Canadian Government and which was adopted, the Militia Department approving.

Co-operation

The plan of purchase, transport and care thus agreed upon has been in operation ever since. It may thus be summarized:—"As far as possible, the horses attached to a particular unit of the Canadian Expeditionary Force proceeding overseas accompany that unit to England. The remounts bought in Canada to meet general wastage at the front are handed over to the British Remount Service and forwarded to England on the regular transports, along with the horses secured by the Service. The British Remount Service issues horses as required by the Canadian troops, keeping an accurate account of the number so issued as well as of those received from the Canadian Government. This relieves the Canadian Government of the necessity of maintaining remount depots in France and England other than those at Shorncliffe, and other places where Canadian troops may be training. War Office representatives in Canada accept the horses from the Canadian Government. An adequate force of transports has been provided."

A Conference

The arrangements here detailed were formally made in July, 1915, at a conference held between the Prime Minister of Canada, the Minister of Militia and the officers of the Remount Service of the War Office in England. Later, in view of confusion and difficulty arising from the competition of British and Canadian buyers in Canada, it was decided to extend the co-operation of the two Governments still further. A plan was agreed upon whereby the British Remount Service undertook to buy horses in Canada for both the British and Canadian forces. The British Remount Service was in charge of General Sir Frederick Benson, (recently deceased) with headquarters at Montreal. It was stipulated that Sir Adam Beck was to continue his services, and he does so. A large number of horses have been bought in Canada, shipped abroad and distributed, under the arrangement thus detailed. Canadian breeders secure the full advantage of the British market for their horses as well as the full benefit of the Canadian market. The undisclosed reasons which led the British Government to purchase horses elsewhere than in Canada have largely ceased to exist. The resources of the Empire have undergone a comprehensive survey and as part of a scheme for their utilization in the most effective way British buyers have been given permission by their Government to purchase horses in Eastern Canada to a limited extent and in Western Canada without any limitation.

CANADA'S EFFORT IN THE GREAT WAR

The Prime Minister Insisted

It will be remembered that, early in 1915, the Canadian Government suggested to the War Office that there was a certain class of horses in Canada which might not be required by one of the Allied Governments but could be used by another. Notwithstanding the confidential arrangement between the Allies, already mentioned, it was hoped that the French Government might be permitted to purchase horses of this type in Canada. The correspondence on this subject was continued during the early summer months, but in view of the necessity of conserving the resources of the Empire, His Majesty's Government was unable to recede from the position that Canada ought not to permit the exportation of such horses. The Prime Minister, during his visit to England, took up the matter again with the British authorities. On August 17th, shortly before his return, the Colonial Secretary sent a despatch to the Governor General informing him that as a result of the Prime Minister's personal representations the Army Council had reconsidered its attitude. It was pointed out that circumstances had now changed, prices had settled down, the demands for horses had been met, and, in the Army Council's opinion there no longer appeared to be any necessity for excluding French buyers from the horse markets of Canada in so far as the particular class of horses referred to was concerned.

Transportation of Horses

Another question of some importance arose in the early autumn of 1915. British Remount officers were proposing to ship Canadian horses bought by them by way of United States ports. The Prime Minister immediately communicated with Sir George Perley, requesting him to urge on the British authorities the desire of the Canadian Government that Canadian horses should, so far as possible, be shipped from Canadian ports. It was urged that Canadian railways and ports afforded excellent facilities and had always proved adequate. The point was not easily carried, but after repeated representations by the Prime Minister instructions were given to the British Remount officers that they should ship Canadian horses from Canadian ports. The ports of St. John and Halifax have been largely used for this purpose.

Since August 4th, 1914, the Canadian Government alone has purchased in Canada 26,500 horses at a cost of approximately \$4,500,000. In all, 55,417 Canadian horses, valued at \$9,611,271 have been exported since the war began, most of them for war purposes.

APPENDIX No. 6.

THE CANADIAN TRANSPORT SERVICE FOR MUNITIONS AND SUPPLIES

The Want of Boats

Immediately following the declaration of war there developed a scarcity of ocean tonnage which at times has approached a famine. Shipping charges have soared by leaps and bounds. The problem has been to secure adequate space at any price. High freight rates hamper exports, but the want of boats, prolonged, may spell economic ruin. The Government appreciated and grappled with the situation. There were two classes of exports to be moved: (a) Supplies

CANADA'S EFFORT IN THE GREAT WAR

and munitions of war for Britain and her Allies; (b) general commercial business. Patriotism and commonsense alike dictated that where military and naval requirements might come into conflict with the necessities of ordinary commerce the latter should give way. Sufficient shipping was not at once procurable for all needs. The Government's first effort was towards the establishment of an organization that would secure a continuous and unimpaired outward flow of troops, supplies and munitions of war. Canada had been asked to undertake the feeding of guns as well as of armies. To succeed with either task she required an expanding ocean transport service.

A Director of Transports

In the fall of 1914 the Government appointed an Acting Director of Overseas Transports, who had enjoyed an extended experience with one of the large transportation companies. Under the direction of Ministers this officer entered into negotiations for the charter of suitable vessels. By anticipating future conditions and securing ships in advance of requirements the Administration for a time was enabled to move war materials, munitions and supplies at approximately normal rates. Conditions later became more acute. Early in 1915 the growing scarcity of tonnage, largely due to requisitions by Great Britain and her Allies for war purposes, rendered necessary some form of co-ordination of Imperial and Canadian effort. The Director of Overseas Transports proceeded to London and laid before the War Office and the Admiralty a suggestion for the requisitioning of a sufficient number of vessels to constitute a regular tri-weekly service for the carriage of War Office supplies and munitions between Canada and Great Britain and France. The result of his visit and of the able assistance rendered by Sir George Perley, Acting Canadian High Commissioner in London, was that the Admiralty engaged to supply eighteen transports at once for the Canadian route, and more as required. The very large purchases of war supplies in Canada soon rendered necessary a great increase in the service. Before the end of 1915, 50 vessels were engaged in it, and the number is now over 100.

Two Ships a Day

Some of the figures available afford an idea of the conditions that would have confronted Canadian producers of war supplies, had they been dependent solely on ocean space available in ordinary commercial liners. The situation was only saved by the intervention of the Government and its action in securing a trans-Atlantic service by co-operation with the Imperial authorities. Between August 25th, 1914, and April 30th, 1915, this service handled 244,913 gross tons on account of the Imperial and Canadian Governments. Between May 1st, 1915 and November 15th, 1915, there was an enormous expansion in the traffic—over 375,000 gross tons being forwarded during that period of 6½ months, or about 60 per cent more than was moved during the preceding eight months. A still greater expansion has followed. During the fiscal year 1915-1916 the service transported from Canada 973,805 tons of war supplies and 40 cargoes or, 125,000,000 feet, of lumber. The route is now being called upon to handle about 300,000 gross tons of munitions, war materials and supplies per month, or over 3,000,000 tons per annum, and

CANADA'S EFFORT IN THE GREAT WAR

the tonnage is still growing. The service averages nearly two ships per day.

Expediting Shipments

In winter the ships sail from Halifax, St. John and a British Columbia Port; in summer from Montreal and Quebec as well. Arrangements have been made for the prompt bunkering of transports at both Halifax and West St. John while loading is being carried on. The addition of an enormous tonnage to the regular winter business of Halifax and St. John has necessitated the provision by the railways of increased yard accommodation. The work of the Overseas Transport Service in handling so large a tonnage with the ships available has been made possible by an efficient organization which has secured intelligent segregation of goods and prompt loading at the seaboard. The time of vessels on this side the water—excluding that spent in dry dock or undergoing repairs—has averaged less than five days. It is difficult to reach an adequate conception of the amount of detail involved in this invaluable expediting of a vast war business.

Helped War Orders

The prompt action of the Government in this connection has assured to Canadian producers of manufactured goods, as of farm products, an uninterrupted outlet for hundreds of millions of dollars' worth of War Office orders, which otherwise could not have been accepted in this country. Not only this! The special war service thus secured released space on the regular liners to the distinct advantage of the export trade of the Dominion.

Tonnage Shipments

Below is a statement of the tonnage cleared during the fiscal year 1915-16 by the Special War-Time Oversea Transport Service thus arranged:—

		Total Tons	
Month	Port	Tons	
April	St. John	23,218	
	Halifax	12,089	35,307
May	St. John	9,060	
	Montreal	26,085	
	Halifax	5,286	
	New York	2,900	43,331
June	Montreal	38,859	38,859
July	Montreal	32,272	
	Quebec	3,951	
	Gaspe	362	
	Vancouver	4,602	41,187
August	Montreal	38,312	
	St. John	7,293	
	Halifax	6,636	
	Vancouver	6,303	58,544

CANADA'S EFFORT IN THE GREAT WAR

September	Montreal	49,704	
	St. John	6,587	
	Vancouver	13,600	69,981
October	Montreal	54,479	
	Charlottetown	1,385	
	Vancouver	14,173	70,037
November	Montreal	90,916	
	Vancouver	12,282	103,198
December	St. John	67,484	
	Halifax	35,600	103,084
January	St. John	65,516	
	Halifax	30,126	
	Vancouver	9,610	105,252
February	St. John	79,808	
	Halifax	51,769	131,577
March	St. John	109,225	
	Halifax	63,692	
	Esquimalt	621	173,538
Total tons			973,805

Shipments The following statement gives the total Overseas Tonnage under jurisdiction of the Canadian Naval Service cleared from Canadian ports from April to December, 1916, also figures for the same months in 1915, with growth of the Service:

Month	1916		1915		Increase	
	Sailings	Tonnage	Sailings	Tonnage	1916 Over 1915	1915
April	33	176,894	10	35,307	23	141,587
May	31	164,906	12	40,431	19	124,475
June	35	201,011	11	39,079	24	161,932
July	35	208,842	13	46,411	22	162,431
August	36	220,439	14	58,544	22	161,895
September	33	212,254	12	69,891	21	142,363
October	30	183,185	16	70,037	14	113,148
November	33	203,710	19	107,370	14	96,340
December	32	202,273	18	103,084	14	99,189
Total	298	1,773,514	125	570,154	173	1,203,360

CANADA'S EFFORT IN THE GREAT WAR

Transport Disburse- ments

Following is a statement of disbursements on account of Overseas Transport Service to December 31st, 1916.

Bunker coal	\$1,030,000
Stevedoring supplies and ship expenses, etc.	1,805,000
Repairs, fittings, alterations, etc.	200,000
Total	\$3,035,000

Commercial Tonnage

As already indicated, the Government has done a great deal to meet the need of ocean tonnage for ordinary commercial purposes. In viewing what it has achieved in this direction,

the carrying capacity of the world must be regarded as one unit. Carrying charges are fixed, or largely fixed, by the number of ships available. These rates fluctuate according as the supply of ships does or does not equal the demand for space. An advance in freight rates is a natural result of a war which drives off the seas a considerable proportion of all existing ocean going vessels. As ships are requisitioned for war purposes or destroyed at sea charges for space mount upward.

Since the outbreak of war all of the great steamship lines of the belligerent nations have been compelled to turn over to the service of the state a large proportion of their mercantile fleets. A great deal more than one-half of the total tonnage of the belligerent nations has thus been requisitioned. The call on Britain's tonnage has been growing every week. In addition to necessary attention to her own enormous needs she must, to a large extent, supply tonnage for her allies. She has carried troops by the million, horses and mules in hundreds of thousands, munitions and supplies in millions upon millions of tons. In this war-time business the merchant ships ply all oceans, even to the ends of the earth.

Tonnage Available

Marine disasters occasioned by mines and submarines have accentuated the scarcity of tonnage. Internments have played their part. M. Auguste Pawlowski, writing in "La Nature," Paris, estimated that of approximately 50,000,000 tons of shipping available to the world in 1914, more than 15,000,000 tons were early requisitioned by Great Britain, France and Italy; 6,000,000 tons of German and Austrian shipping have been immobilized by internment; millions of tons have been lost by disaster at sea. In all probability new building scarcely restores the losses by disaster. The work of providing the world with shipping facilities thus falls on a fraction of the ante bellum tonnage. Ordinary commercial business must be performed by a lesser fraction of the world's original shipping.

Ocean Carrying Charges

Europe's imports have greatly increased since the war began. In 1915 France imported 50 per cent more than in 1913. There was similar augmentation in Britain's demands. An enormous decrease in Europe's export trade

has only accentuated the difficulty. In the absence of return cargoes freight charges on imports into European countries are necessarily based upon the expense of the double voyage. The expense of navigation, the cost of fuel, oil, food, insurance and labour (for operating as for loading and discharging)

CANADA'S EFFORT IN THE GREAT WAR

have increased. Exceptional demands upon shipyards, along with the scarcity of labour, have advanced the cost of ship repairs and ship building to an extraordinary level. The principal British shipping journal, "Fair Play," has stated that a cargo steamer of 7,500 tons cost four times as much in 1915 as in 1910. War-time delays also tended toward increase of freight rates. Congestion of traffic arising from the scarcity of labour and of railway rolling stock, and also such delays as are the outcome of military necessity, combined to entail heavy demurrage charges.

Shortage in Boats

Prior to the war the rate on wheat from Montreal to Liverpool was 6 to 8 cents per bushel; it rose to 40 and 45 cents. The cost of transporting a ton of coal from Wales to Marseilles increased ten times. Canada, Australia, India, the United States, Argentina, and all other exporting, as well as importing, countries have suffered accordingly. Some people have sought to blame the Canadian Government for the world-wide conditions thus indicated. The situation is plainly one for which no Government is responsible and which no Government can control, except to a very limited degree. Such Government control as can be exercised must proceed from the Imperial authorities. As early as March, 1915, the problem as it affects Canada was formally taken up with the British Government at the instance of the Prime Minister. Strong official representations were made to the Colonial Secretary. It was urged that the requisitioning by the Admiralty of so many of the best carrying vessels of the principal steamship lines plying between Europe and this country had produced a shortage of tonnage which was reacting seriously upon Canada's import and export trade. The British Government was asked to adopt every possible relief measure. By request of the Prime Minister, the Acting High Commissioner in London had already discussed the subject with the proper Departments of the British Government and asked for a remedy.

Demanding More Ships

Many official conferences were held. All through the spring of 1915 the matter was kept constantly before the Admiralty and other Departments. Representations were made on behalf of various Canadian shipping companies whose tonnage had been requisitioned in greater or less degree. In June, after much negotiation, a large boat was released for the St. Lawrence coal carrying trade, together with three vessels for the Canadian lumber trade. In the same month an inter-departmental committee and representatives of Canadian steamship companies operating between Montreal and the United Kingdom met at Ottawa to consider measures for meeting the growing scarcity of tonnage. Early in July the Prime Minister reached London for the purpose of discussing with the Imperial Government this and other matters arising out of the war. He pressed Canada's claims for adequate shipping facilities for general commercial purposes. During July and August he had a number of interviews with members of the British Cabinet and with the permanent officials of the Admiralty. He urged that the matter was as important from the British as from the Canadian standpoint. Britain had to have food supplies and her manufacturers wanted access to the Canadian market. It was vital that Canada should maintain its trade with Britain

CANADA'S EFFORT IN THE GREAT WAR

and thus preserve a market for its abounding food crops. It was submitted that 60 to 65 per cent of the normal tonnage especially constructed for the North Atlantic trade had been requisitioned, and that a serious situation would develop unless adequate steps were taken.

Releasing Vessels

As a result of these representations the Admiralty undertook to release for this service as many boats as the paramount exigencies of the war would permit. The matter was also taken up with the steamship lines whose ships had been requisitioned by the Admiralty. They were urged to charter steamships wherever such could be obtained, to take the place of the requisitioned vessels. Two steamships, fitted with refrigerating plants, were immediately assigned to the transportation of fresh meat from Canada, and assurance was given that if more tonnage was needed for this purpose it would be provided. After the Prime Minister returned in September the subject was still kept before the British Government, and particularly before the Colonial Secretary. Sir George Perley made it the theme of many conferences with the British permanent officials and with members of the British Cabinet. As a consequence of these sustained efforts by the Prime Minister and his colleagues, many of the requisitioned ships were released for the Canadian service. Certain prize ships were assigned to the North Atlantic trade, and three large sailing vessels were secured and chartered to the Canadian Government. Other releases have since been made. The British Government has also transmitted information as to other sailing vessels, from time to time open for charter, and this information has been given to shippers generally. It bears repeating that the inauguration after February, 1915, of the regular war supplies transport service has released considerable space in regular liners, and left it available for ordinary commercial business.

More Grain Ships Than Usual

The transportation of our crops is assured. Grain prices therefore rule upon an export basis. More ships have been employed in the North American grain trade than in other seasons. Exports during the fall of 1915 were the greatest in the history of North America, and while there has been a great advance in freight charges on the North Atlantic routes, the rates from Australia and the Argentine, our foremost competitors, have advanced, it would seem, in a much greater degree. The Canadian export trade has enormously expanded. We at any rate are getting the ships.

Some people familiar with the Government control of railway rates have been thoughtless enough to wonder why the British or the Canadian Government has not taken control of ocean freight rates. It would be easy enough to make laws upon the subject, but not so easy to enforce them. Cargoes await ships at the prevailing rates in ports of call the world over.

"Govern- ment Control."

Someone has asked: "Cannot the rates of subsidized ships be controlled?" According to the terms on which the subsidies were granted the freight schedules of state-assisted carriers are subject to Government control. Conditions, however, are so abnormal that if the power of revision were fully exercised the carriers affected could with profit drop their subsidies and seek other ports, whereupon the last state of Canadian exporters would be

CANADA'S EFFORT IN THE GREAT WAR

worse than the first. All that can be done is to resort to the fact of subsidy for the purpose of keeping the freight rates of subsidized ships within bounds. This has been done. The rates on subsidized ships are lower than on other boats, but the Government, according to the exigencies of the occasion, has had to be moderate in the exercise of its authority.

Some people have asked why the Government has not checked freight rates by chartering a dozen vessels. The obvious answer is that the chartering of vessels would not reduce freight rates because it would not increase the carrying capacity of the world by one ton. There are about 8,000 ordinary carriers. A dozen ships so chartered could carry only an infinitesimal fraction of the Canadian trade, so that only a few shippers would benefit by the lower rates upon these particular boats. The discrimination involved would immediately create trouble. Who should have the use of the chartered vessels, the wheat growers, the cheese makers, the livestock men, or other exporters? In the end the rate-cutting would have to be abandoned, in which case the chartering plan would fail of its purpose.

New Ships

The renewed German submarine campaign of the past winter, together with the continually increasing demands upon allied and neutral shipping, has led to heavy calls upon the Canadian shipyards. Until the past spring was well under way these yards were largely engaged in turning out patrol craft for the coastal services, but the yards are now under contract to deliver a large tonnage of ships during 1917 and 1918.

Early in February, 1917, as a result of the extensive closed zone around the British Isles declared by the German authorities, the British Government allowed the Scandinavian liner Frederick VIII with Count Bernstorff aboard, to be examined at Halifax instead of Kirkwall, in Scotland. The examination was carried out by Canadian Customs, Immigration and Post Office officials under the direction of the Canadian Naval Service. As a result of this departure there was an immediate flood of requests for similar treatment on behalf of other neutral ships bound for Scandinavian, Dutch and Danish ports. The British Admiralty agreed, and Bedford Basin in Halifax Harbour was crowded during the rest of the winter. During the month of March from forty to forty-five ships were constantly under examination at the same time. The work was at first handled by the officers of the Canadian Naval Service, but later on the British Admiralty sent out a number of officials, with experience at Kirkwall and elsewhere, to take over the task.

APPENDIX No. 7.

THE CANADIAN RECORDS OFFICE.

News of Soldiers

It is to the Records Office at Ottawa that the public has learned to look for information regarding all members of the Canadian Expeditionary Force. The Office is open day and night, practically all the year round. Six hundred clerks and stenographers constantly busy themselves in the compilation of all available news regarding officers and men for immediate and future use.

CANADA'S EFFORT IN THE GREAT WAR

Owing to the importance of the information which this bureau has at its disposal, the utmost care and accuracy must always be exercised. The absence of corrections in the casualty reports speaks volumes for the care displayed by devoted officials. They know that mistakes bring unnecessary grief to the relatives of Canadian soldiers. They have been trained to the necessity of breaking the news gently to the next of kin. The feelings of the relatives of the dead heroes have the first consideration when casualties are being handled by the staff. In almost every instance the cablegrams reporting casualties reach the Records Office by 6 p. m. Every effort is made to send out all notices the same evening, but the telegraph companies have been instructed that no telegram reporting a casualty is to be delivered to a bereaved home after 9 p.m., and that no charge whatever is to be made for delivery of the messages. So far as possible no information relating to a casualty is communicated to the public press until the next of kin has received proper notification, or every source of information regarding the whereabouts of the next of kin has been exhausted.

The Casualty Division

The Casualty Division of the Records Office decodes cablegrams, reports casualties, and notifies the next of kin. Each cable is received in cipher, and before the information is forwarded to the relatives it is checked over twice. A record is kept of each telegram when it leaves the Department, showing the name and address of the person to whom it is sent, and the name of the officer or man who has been killed or wounded. When the telegraph company reports that the message has been delivered it is entered on other lists which are prepared for the Premier, the Ministers, members of Parliament, and the press. These lists, before being issued, are also checked over very carefully. All information pertaining to a casualty is placed on a card and filed alphabetically the same night, so that the latest facts are ready for the enquirer at any time.

Condition of the Wounded

In addition to the casualties reported by cable, daily lists are received by post furnishing information regarding men in hospitals. This information is communicated by letter to the next of kin in all cases where the casualty is reported by cable in the first instance. This is done to relieve so far as possible the anxiety of relatives and friends, by keeping them posted as to how each man is progressing and when he is well enough to be discharged from hospital. But the handling of casualties is only one of the fifteen departments controlled in the Records Office. When a man enlists he has to make out an attestation paper, giving complete details of himself. This is forwarded to Ottawa, where the information is transferred to an index card for use when required. About 200 of these are filed each day.

Card Filing Very Heavy

The filing of special index cards and the answering of enquiries require much attention and time. In March, 1917 375,000 index cards had been written and filed in alphabetical order. The work in this section is largely that of giving the exact addresses of soldiers and next of kin to enquirers, and of checking over the lists of employees in various public Departments and companies

CANADA'S EFFORT IN THE GREAT WAR

throughout the Dominion, who are serving in the Canadian Expeditionary Force.

Verbal enquiries are answered. Anxious parents travel many miles to see the man in charge of the casualty records, if perchance he can relieve them of their anxiety. His door is never closed to people who would seek his help, and no trouble is too great if it will facilitate matters and bring an affirmative answer as to whether a much-loved son or husband is still alive and well. The same officer keeps track of all promotions and transfers. This is a heavy task, because battalions are broken up when they get overseas for absorption in different units, and because many men are promoted, and some demoted of their own free will in order to keep with their friends.

The writing of nominal rolls requires a great deal of care and research. These rolls enable an officer or soldier whose name appears on the casualty list to be readily identified, and serve the press and public as a means of ascertaining to what unit an officer or soldier belonged when he left Canada.

The records of men discharged from duty and returned to Canada are also tabulated and filed. Over 75,000 discharge documents are now in the pigeon holes of the Record Office. Pensions are largely based upon these records. Upon this section the Canadian Patriotic Fund Association depends for its information as to whether men are serving or are not with the colors, and the Fund's payments to dependents are continued or suspended accordingly.

Returning Convales- cents

Preparations also have to be made for the reception of men returned home for hospital treatment; this Department must notify all the medical staff officers in the Dominion as to what men are going to be placed on their hands from time to time. Also the next of kin are notified as to the date on which their relatives are going to arrive home, so that they can be on hand to meet them. This work requires considerable cabling and classification.

As the number of men enlisted increases and the casualty lists lengthen, the duties of this section grow correspondingly. At the present time the average number of telegrams and letters sent out daily is 1,000. This work is done in the correspondence branch. Telegrams are received in which enquiry is made as to the condition of officers and men whose names have appeared on the casualty lists. On receipt of each inquiry, if no very recent information is on record, a cable is sent to England asking for particulars, and replies are communicated to the relative or enquirer. Messages of this nature average fifty per day.

Missing Men

The Records Office deals with cases of all men who have been missing for a period of six months or over, whose next of kin reside on this continent. In each case an enquiry is addressed to the next of kin asking if any information has been received from any source which would lead to the belief that the soldier is still alive. Communications are also addressed to possible sources of information in Britain and France, and if word is not obtainable to show that the man is alive, he is officially reported dead and a certificate is issued accordingly. No man is ever officially reported dead until all sources of information are

CANADA'S EFFORT IN THE GREAT WAR

exhausted, and the parents of boys reported under this heading have unfortunately never had occasion to doubt the reliability of the department. The insurance companies look very largely to this section for their information.

Yet another section makes investigation regarding the whereabouts and well-being of Canadian prisoners of war. Information thus secured is forwarded to the different societies which exist to look after the prisoners' welfare. No detail in connection with Canada's forces, which can be recorded is overlooked by this Office.

APPENDIX No. 8

CONTRIBUTIONS FOR PATRIOTIC PURPOSES IN CANADA TO MARCH 31st, 1917.

The two accompanying tabular statements show the contributions in money and in kind made from August, 1914 to March 31, 1917, in the several provinces and in the Dominion as a whole to various Funds that have been organized in connection with the war. Table No. 1 includes contributions in money and contributions in kind to which a money valuation is attached in the official records. Statement No. 2 therefore is to be regarded as supplementary to the grand total of Table No. 1.

The funds raised since the war began include the following: The Patriotic Fund; donations by the Dominion Government and by the several Provincial Governments to the Government of the United Kingdom; the Canadian Red Cross; the British Red Cross; contributions for machine guns, field kitchens, field ambulances, etc., made to Canadian Expeditionary Forces; Belgian Relief; Jewish Relief; Serbian Relief; Secours National; Comite Franco-Amerique; Soldiers comforts and field comforts, etc.; Canadian War Contingents Association; the Maple Leaf Club; the Recruiting Committee of New Brunswick; the Aeroplane Fund of Winnipeg; the Tobacco Funds of certain newspapers; the Soldiers' Gazette Fund; the Relief Fund of the Winnipeg Telegram; the European War Veterans Association of Calgary; the Returned Soldiers' Fund of Winnipeg; the Manitoba Telephone Employees' Fund; the following hospital funds: Toronto University; Queen's University; French Canadian Hospital; Luton House; Seamen's Hospital; Queen Mary's Hospital; Clivedon Hospital (certain direct contributions not included in Red Cross Fund); Sir Sanford Fleming Home; the Scottish Women's Hospital; the Women's Hospital Ship; and other military hospitals.

On the whole it would seem safe to say that up to March 31, 1917, between \$55,000,000 and \$60,000,000 had been donated by the people of Canada. The Patriotic Fund on that date exceeded \$25,000,000. The combined donations of the Dominion and Provincial Governments to the Government of the United Kingdom ran into several million dollars. Over \$6,000,000 was raised for the British Red Cross and \$2,500,000 for the Canadian Red Cross. Contributions for machine guns and for military equipments exceeded \$2,500,000. The Belgian Relief Fund exceeded \$2,700,000. Voluntary contributions by various municipalities aggregated between two and three million dollars. It is not suggested that the compilation in the subjoined tables is anything like complete and there is some overlapping. It is exceedingly difficult to procure returns regarding some of the funds and in these cases the figures given are only an approximate estimate. Table No. 1 follows:

Table 2

Contributions in kind not included in Table 1.

The following is a partial list of materials donated to the various war funds on which no value has been placed. Where not otherwise specified the quantities are given in numbers:

Belts	9,867
Caps	16,669
Convalescent suits	1,843
Dressing gowns	6,267
Handkerchiefs	2,172,587
Mitts and gloves, pairs	4,634
Mufflers	31,016
Pyjamas, pairs	55,470
Scarfs	1,722
Shirts	482,899
Slippers, pairs	8,164
Socks and Bed Socks, pairs	461,297
Sweaters	6,741
Underwear, suits	14,861
Various clothing	11,756
Wristlets, pairs	41,647
Blankets	25,742
Pillows	181,850
Sheets	56,080
Towels	174,445
Eatables, boxes	37,181
Fruit, cases	69
Jams, tons	85
Jams, barrels	117
Ambulances	124
Candles	4,338
Cards, packs	3,108
Comforts	9,661
Games	150
Hold-alls	1,129
Housewives	11,078
Kit bags	13,793
Miscellaneous	41,988
Personal parcels	17,218
Sponges	63,011

The hospital and surgical appliances donated included: Absorbent cotton, air pillows, aprons, bandages, binders, boracic acid, cheese cloth, chloroform, cholera belts, compresses, cotton court plaster, crutches, cup covers, dressing covers, dressings, ether, ether pads, eye shields, flannel, fomentation cloths, fracture cushions, fracture shirts, gauze, glass tubes,

CANADA'S EFFORT IN THE GREAT WAR

hospital beds, hospital clothing, hospital suits, hot water bottle bag covers, hot water bottles, ice bag covers, iodine, linen, lint, mentholatum packets, nightingales and bed jackets, nurses' caps, nurses' gowns, oil silk, ointment, operating stockings, pads, peroxide of hydrogen, pneumonia jackets, potassium chlorate, rubber gloves, rubber sheets, sheet wadding, slings, surgeons' caps, surgeons' gowns, surgeons' sleeves, surgical kits, surgical pads, surgical shirts, surgical stores, tubes, vaseline bottles, wipes, wringers.

Other articles given included braces, boot laces, cardigans, neckties, table napkins, quilts, tray cloths, magazines, newspapers, tobacco pouches, pipes, "smokes", apples, cocoa, coffee, corn starch, groceries, milk tins, nuts, peppermint, sardines, soup, butter, eggs, buttons, combs, stockings, dominoes, draughts, gramophones, chewing gum, hair brushes, nail brushes, shaving brushes, mirrors, mouth organs, needles, note paper, pencils, pins, safety pins, razor strops, talcum, tape, tooth powder, thread, twine, crockery, kitchen utensils, curtains, and lumber.

Pictures were donated by H. R. H. Princess Patricia and Lady Caron.

Dr. A. G. Doughty gave the proceeds of a book on the "Life of Magdeleine de Vercheres."

Two homes were donated by Canadian people.

APPENDIX No. 9

A summary of exclusively British orders for execution in Canada was prepared by the British Government in March, 1916. Exclusive of munitions these orders at that time aggregated \$75,000,000 in value and comprised:

Harness collars and traces, 180,000.
Saddle blankets, 31,000.
Miles of cable, 5,150.
Pounds of bacon, 50,000,000.
Pounds of cheese, 50,000,000.
Tons of flour, 125,000.
Pounds of preserved meats, 15,000,000.
Pounds of dried vegetables, 8,000,000.
Drawers, socks, mitts, shirts and vests, 10,500,000.
Tons of Sulphuric acid, 16,500.
Sets of accoutrements, 78,000.
Brushes, 750,000.
Pounds of candles, 500,000.
Picks, axes and helms, 1,350,000.
Mess tins, 258,000.
Shovels, 120,000.
Picketing pegs and posts, 250,000.
Sleepers, 108,000.
Bandoliers, 25,000.
Aluminium stock pots, 3,000.
Doses of tetanus anti-toxin, 45,500.
Tons of oats, 400,000.

CANADA'S EFFORT IN THE GREAT WAR

Bags of oats, 11,000,000.
Pounds of fowl, 91,000.
Water bottles, 500,000.
Boot laces, 2,500,000.
Great coats, 103,000.
Jackets, 500,000.
Trousers, 500,000.
Sheep lined coats, 25,000.
Yards of flannel, 512,000.
Pans of shoe packs, 9,600.
Travelling kitchens, 250.
Wagons, 2,000.
Pounds of trinitrotoluol (T.N.T.), 20,000,000.
Tons of barbed wire, 136.
Forges, 2,450.
Reaping hooks, 30,000.
Cwt. of nails, 33,000.
Pounds of jam, 2,620,000.
Helmets, 187,000.
Mess tin covers, 1,000,000.
Miles of cable, 1,300.
Miles of steel wire, 4,000.
Tons of zinc, 8,000.
Feet of hose, 375,450.
Rasps, 12,000.
Sides of leather, 10,000.
Ammunition boxes, 6,900,000.

INDEX

	Pages
General Review of Canada's Achievements in the War to March, 1917	3-17
Departmental Activities	18-26
Economic Effects of the War.....	27-42
The Nickel Problem	43-45
The Ross Rifle.....	46-52
Peace Preparedness	53-54
Canada After the War	55
Soldiers an Influential Class	56
Appendices	57-79





